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Near East/South Asia Report

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25 JUNE 1986

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'COMMON INTERESTS' OF ARMENIANS, DRUZES CITED

Paris GAMK in Armenian/French 22 May 86 p 1

[Article by G.U.]

[Text] We hear next to nothing these days about the Druzes in Lebanon currently; now that the hostages and terrorism have taken over the newspaper headlines, to the exclusion of all other news. This silence on the part of the media, furthermore, is not confined to this community: religious and community conflicts are routinely passed over in favor of spot news; the result is that, in general, reporters have stopped covering the Lebanon question from any angle other than the most sensational--make that bloodiest--happenings. While the hazards of daily existence can drag this or that community onto center-stage momentarily, basic analysis is pushed off the page in favor of a simplistic account of events.

Does this mean that the situation has cooled down? Though it is true that of recent years we have witnessed a regrouping of nationalities or religious sects that considerably simplifies the ethnic and religious map of the country, the fact remains that this "Balkanization" has succeeded only in strengthening some camps and weakening others. Each group remains in possession of its territory, but the Lebanese identity, which has just been imposed on this multiplicity, has led to a race for power that gives rise to violent clashes between communities: the numerous frontiers that slice through the country have become so many hotbeds of tension, not to mention the uncontrolled elements that complicate still further a situation which frequently escapes the incumbent political leaders.

The Druzes themselves are victims of the ambiguity in this situation: controlling their traditional fiefdom in Lebanon, in the Chouf mountains, whose Christian populations have been "displaced" during the past 3 years, they are also responsible for surveillance over a sector of West Beirut. That presence in the Muslim sector of Beirut makes the Druzes, led by the Progressive Socialist Party (PSP) under Walid Jumblatt a community that must be reckoned with in Lebanon, despite its relatively small numbers (150,000 Druzes). A reputation as permanent rebels and a spirit of independence has won the Druze community a degree

of respectability in the Lebanese mosaic, a respectability that legitimized an honest observance of parliamentary rule in the Lebanese political game, at least until the civil war in 1985. In 1984, Walid Jumblatt's father, Kamal Jumblatt, the feudal chief of the Druzes, founded the Progressive Socialist Party whose adherents are recruited primarily among the faithful. Since then, although headed by a feudal family and governed by rules for the hereditary transfer of power, the PSP seeks to offer a social alternative that would help resolve the community imbroglio.

When we met with Walid Jumblatt, the FRA Dachnaksoutioun delegation was addressing the head of a Lebanese party: that made it a party-to-party discussion on the overall situation in Lebanon in general and, of course, on the Armenian community that has always maintained excellent relations with the Druze community. In that connection, Walid Jumblatt reaffirmed those good relations, citing the problems involved in preventing certain incidents in quarters of Beirut that are supposed to be under Druze control.

Finding that they shared many views in common, the Druze and Armenian communities can indeed understand one another: As a sect professing an unorthodox Muslim religion, the Druzes have managed to retain a degree of independence--alternating with periods of submission and persecution--in the lands where they have scattered and taken root: Southern Lebanon, Southern Syria, the Galilee (in Northern Israel).

Their status as schismatics has nurtured the national identity of a community artificially divided by political borders. Centuries of history have molded them into a homogeneous people who feel that they are Lebanese, even though they are aware of belonging to a far broader ethnic and religious community. Don't Armenians, albeit with fundamental differences, find themselves in very much the same situation? Those similarities should help intensify sustained contacts, both in Beirut and in France.

6182

CSO: 4619/53

IMPROVED COORDINATION OF LAND, WATER AGENCIES

Algiers EL MOUDJAHID in French 18 May 86 p 3

[Article by O.B.: "Optimum Management of Land and Water"]

[Text] Mr. Kaski Merbah, an alternate member of the Politburo and minister of Agriculture and Fishing, and Mr Mohamed Rouighi, a member of the Central Committee and minister of Hydraulics, Environment & Forests, cochaired a ceremony held yesterday at the ministry of Agriculture and Fishing, where the national coordinating committee for the Office of Irrigation Perimeters (OPI) and the Offices of Development (OAMU) was installed.

In addition to representatives from the two ministries directly concerned, namely Agriculture & Fishing and Hydraulics, Environment & Forests, this committee includes representatives from the ministries of Finance; Interior and Localities; Planning and Natural Development; Light Industry; Heavy Industry, and the UNPA [National Union of Algerian Peasants] and the BADA [Bank for Agricultural and Rural Development]. The committee is charged with coordinating the actions of the various economic agencies operating with and around irrigation management.

Algeria has started a vast irrigation program intended to increase the as yet still limited amount of land under irrigation. Structures were established for this purpose very early on. The Commission for Rural Development (CDR), and the OAMU, the OPI, and an arsenal of structures and organizations were set up to further and follow up on irrigation development and management. However, despite real needs and precise definitions of the duties and responsibilities of each department, there was poor or no coordination between these departments and other operators, which seriously jeopardized some irrigation facilities. It was brought out during the new committee's installation ceremony that these facilities are now in trouble. The committee broadens the scope of coordination of the ministries and institutions directly or indirectly involved in irrigation management. Its missions are important because they involve basic policy such as the elaboration of irrigation and land development projects, and the development of irrigation planning and offices. The committee is also charged with following up on the implementation of these programs, and with studying new or extended irrigation plans. Also, it should be noted that the new committee does not duplicate or parallel existing offices but will improve coordination by providing an adequate framework for it. The OAMU and OPI

will continue to exist and perform their normal duties. Now that the irrigation office has been established, the OAMU will be concerned with development outside of the established perimeters. This should make the OAMU more effective.

The committee's objectives and the implications of the new agricultural development policy were outlined by Messrs Kasdi Merbah and Mohamed Rouighi during the installation ceremony. The minister of Agriculture and Fishing observed that this structure meets a major concern, which is the best use of irrigated land. This land is limited, the minister said, hence the necessity of finalizing the country's objectives in reducing its food dependency and expanding production, which alone will ensure the stability and growth of production. Mr Kasdi Merbah therefore called for a renewed effort to manage existing irrigated land practically and to do everything possible to remove the obstacles facing some areas. The minister also exhorted agency officials to learn all they could from past experience to support the new policy and to refine it so that future agencies will have a solid base to work from.

The committee's role in land development was also mentioned by Mr Merbah, who reaffirmed the strategic importance of mountain reservoirs in the country's agricultural development strategy.

Speaking after Mr Merbah, Mr Rouighi also stressed the committee's importance and urged optimum use and least-cost management of hydroagricultural infrastructures. The new committee should define management problems and in hydraulic infrastructures and the water resources available to them; it should provide appropriate solutions. In conclusion, the minister of Hydraulics, Environment & Forests stressed the necessity for a unified policy and clear directions in carrying out the committee's work.

8782

CSO: 4519/111

GOVERNMENT ENCOURAGES DOMESTIC TOURISM

Cairo THE EGYPTIAN GAZETTE in English 11 May 86 p 3

[Text]

THE government is presently exerting all possible efforts to encourage Egyptians to vacation at local resorts and attract foreign visitors. While the great increase in air fares to foreign countries will preclude a substantial number of Egyptians from holidaying abroad, greater attention should be directed to developing the country's diverse tourist sites and offering incentives to encourage Egyptians to vacation in these areas. In this regard, the accommodations and services provided should be comparable, both in quality and price, to those found abroad.

As the number of foreigners visiting Egypt has dropped dramatically due to international circumstances over which the country has no control, encouraging the citizens to visit local resorts should become a priority issue. Egyptians, as well as foreigners, are desirous of clean, comfortable accommodation at reasonable prices, together with friendly, competent services being rendered by the staff members of the hotels and restaurants, and being availed of diverse forms of entertainment, such as sailing, diving, hiking, fishing, visiting historical and religious sites and night club programmes featuring popular performers.

To motivate Egyptians to holiday at the various domestic resorts, the resorts, in conjunction with transportation agencies, should offer travel packages for Egyptians at discount prices and with special family rates (i.e., children under 12 years of age free, when accompanied by parents). This would enable a greater number of citizens to visit these areas and, based on the visitors enjoyment of their holidays, word would spread among the citizens, which would

encourage even more families to holiday at these areas. This element would exploit an undeveloped source of tourism revenues, which would help compensate for the loss of foreign tourism revenues, until such time as the latter market regains its former prominence.

Therefore, the Ministry of Tourism, domestic resort owners and transportation agents should undertake immediate, conjunctive efforts to initiate a campaign to promote local tourism. In addition to supplementing Egypt's income within a relatively short period of time, as summer vacation is rapidly approaching, domestic tourists would become sources of recurring business, which would continue to augment the country's coffers after foreign tourism revenues resume their former levels.

/9274

CSO: 4504/130

SALES DECLINE THROUGH RAMADAN

Cairo THE EGYPTIAN GAZETTE in English 16 May 86 p 2

[Text]

COMMERCIAL stagnation is outstanding in the Egyptian market apart from sales of foodstuff which normally increase during Ramadan. This state is prevailing in the market covering even durable commodities, ready-made clothes, carpets and even jewellery shops.

Experts are trying to find an answer to this state. Some of them say that this phenomenon is due to the disappearance of imported goods, others say it is because of inadequate local production.

The Head of the Commercial Sector at Omar Effendi Company, Mr. Ibrahim Hassan pointed out that the stagnation state in Egypt is a part of the international economic situation. He further said that when we compare the volume of purchases during the first quarter of this year and the same period

of the previous year, we find that there is a marked decrease in sales. It may be due to the urgent need to provide foodstuffs during this period of the year and to meet the requirements of children for the new school year, and the feasts.

The Chairman of the Chamber of Commerce, Mr. Kamal Hafez Ramadan affirmed that stagnation is an ordinary situation affecting all commodities, but this stage witnesses a severer stagnation than usual, leading to disturbance in selling and buying. This disturbance extends to production components, and as a result other goods are affected. He concluded that this is temporary and all its causes can be solved through the rationalisation methods which will be adopted by the Customs House. — GSS

/9274

CSO: 4504/130

EXPATRIATE WORKERS' ISSUES DISCUSSED

Job Shortage in Arab Countries

Cairo THE EGYPTIAN GAZETTE in English 24 Apr 86 p 2

[Text]

No vacant seats are available aboard the airliners coming from Jordan and Iraq till July as many Egyptians who were working in the said countries are planning to return. Great numbers of Egyptians who worked in Iraq left the country for Jordan and as a result job opportunities themselves have become noticeably scarce.

The flow of Egyptians workers to Jordan led to wages reduction. A worker who used to get 120 Jordanian

Dinars for ten hours' work, now gets 60 Dinars only. These pressing circumstances compelled Egyptians to hurry up booking any available seat either on a plane or on a ship to return home.

Interviewed by 'Al-Gomhuria' correspondent at Nweibaa, Baker, Kashaf, a farmer from Assiut said, by way of warning farmers for Iraq, that he himself spent 25 days in Iraq, searching for a job opportunity, during which time he spent his

savings and had to return to Egypt empty-handed. Mohamed Alian Abdul Rahman, from Qena, said that he stayed 8 days in Iraq, he did not find any vacant job. He left Iraq for Jordan where he fared no better.

In spite of the circulated stories more passengers are currently leaving for Jordan and Iraq. A ferry leaving for Aqaba was crowded with Egyptians of different professions. Arrival procedures were conducted on the ferry deck.

Land for Expatriate Use

Cairo THE EGYPTIAN GAZETTE in English 28 Apr 86 p 2

[Text] Egypt has embarked on a plan to reclaim 3.2 million feddans by the year 2000 so that the total area of arable land can be increased to eight million feddans, the Minister of Emigration and Expatriate Affairs, Mr William Nagib Sefein said.

Addressing members of the Egyptian community and the Federation of Egyptian Expatriates in Paris, whom he met yesterday, the Minister indicated that 2000 feddans reclaimed in Nubaria have been placed under disposal of Egyptians in France, who requested to participate in national development projects.

The Minister listened to a number of suggestions made by expatriates and promised to consider them. Egyptian expatriates in France were given copies of a pamphlet prepared by the ministry and which includes more than 200 government-approved projects that the expatriates could choose from.

Campaign to Attract Foreign Currency

Cairo THE EGYPTIAN GAZETTE in English 12 May 86 p 2

[Text]

THE despatch of a commercial delegation representing duty-free shops and the Customs Authority to Saudi Arabia, Iraq, the Gulf area, Yemen and Kuwait has been approved by the Minister of Economy and Foreign Trade, Dr. Sultan Abu Ali.

The delegation will explain to expatriates the facilities and advantages extended by duty-free shop companies to Egyptians on their return home, with a view to attracting more foreign currencies instead of the expatriates' spending them abroad, said the head of the Financial Sector at Misr Company for Duty-Free Shops, Mr. Yussri Fayed.

The impact of the recent economic resolutions on duty-free shops prices will be explained to them, said Mr. Hosni Shafie, Head of the Sales Sector in the free shops. Price increases do not exceed 10 per cent, he said.

He pointed out that mobile maintenance centres are available to repair electric appliances purchased from free shops.

THE commissioning of this trade delegation is one step the Economy Ministry has taken by way of ensuring larger sales at this particular time of the year when Egyptian teachers working in Arab countries return home to spend the summer vacation.

Expatriate Investment Projects

Cairo THE EGYPTIAN GAZETTE in English 24 Apr 86 p 2

[Text]

FIVE Investment ventures at a total cost of LE 61,700,000 have been assigned by the Ministry of Emigration and Expatriates Affairs for Egyptian expatriates to participate in. The projects include a fish farm on 6,000 feddans at el-Manzala Lake that will yield about 8,000 tons of fish annually, according to the

Minister of Emigration, Mr. William Sefein. He further said that the five enterprises also include an agricultural mechanisation station that will serve 15,000 feddans, a LE 1.2-m fruit and vegetable canning plant a shrimp farm with a capacity of 5,000 tons a year, and a cattle-raising farm on an area of 500 feddans.

/9274

CSO: 4500/128

SINAI LAND RECLAMATION PLANNED

Cairo THE EGYPTIAN GAZETTE in English 21 Apr 86 p 2

[Text]

A TOTAL of 170,000 feddans in Wadi el-Arish, Tina Valley and Wadi el-Qaa, Sinai will be reclaimed with the use of Nile water from the Salam canal, said the Minister of Reconstruction and New Communities, Mr. Hasaballah el-Kafrawi, during his field visit yesterday to new reconstruction projects in South Sinai. Subterranean wells will also be used in the reclamation of these lands. The Minister also pointed out that in these three regions, 200 new villages capable of accommodating 3 million inhabitants will be built.

Mr. el-Kafrawi added that the area of 600 feddans currently cultivated in Wadi el-Qaa with vegetables and fruits, is due to be increased to 3,000 feddans. Two new villages will be set up in the region with all the services and utilities required.

He said that the number of feddans which have been reclaimed since 1981 amounts to 300,000 feddans. In allocating title deed's priority will be given to small farmers and pensioners as previous experiences proved that these had been the most successful in cultivating the new reclaimed lands. The chance will be provided for

new university graduates to participate in land reclamation projects in el-Farnafarn region, New Valley. Almost 60 000

feddans in the region have been allocated for that purpose.

Mr. el-Kafrawi added that the two cities of Sadat and October 6 will be officially opened during the coming October. Work will start in setting up el-Obour city on the Belbeis cross road at the beginning of the coming year.

The Minister also toured the first stage of St. Catherine tourist village which consists of 50 chalets. Its cost reached LE 5 million and it can receive 200 tourists daily. The second stage of the village which also includes 50 chalets is due to be completed at the end of the coming year. It will include an international park and a number of playgrounds.

Mr. el-Kafrawi also visited the water desalination station in Taba which will have a capacity of 300 cubic metres per day and will include a reservoir with a capacity of 1,200 cubic metres. The station will provide potable water to Taba outlet and Saladin citadel region in Pharoun island. GSS

/9274

CSO: 4504/130

ALEXANDRIA SEWAGE SITUATION IMPROVES

Cairo THE EGYPTIAN GAZETTE in English 5 May 86 p 3

[Text]

THE Prime Minister, Dr. Ali Lutfi, yesterday inspected a sewage that has been urgently carried out at Alexandria. He stated that the twelve sewerage outlets on the Alexandria shores have been closed, affirming that the beaches of the Mediterranean city will be clean this summer.

Alexandria University and the Higher Hygiene Institute are to conduct the necessary studies to make the Alexandria beaches pollution-free, said Dr. Lutfi adding that the project cost LE 50 million and was executed within five months. The project will protect the shores against pollution until the year 1990, by which time another project, currently under way, is due to be operational and utilities are to be improved to serve the expected 2.5 million holiday-makers this year, and the city will be ready to receive its guests early in June, said the Premier.

Alexandria will get additional supplies of foodstuffs this summer, said Dr. Lutfi, referring to an agreement made in this respect with the Ministry of Supply.

Mr. Farid Sweilam, supervisor of the sewage project explained to the Premier how the project has been carried out in stages. He explained that ten pumping stations have been renovated, three new ones established in the areas of Siuf, Smuha, and Kait Bey. In addition, six tunnels and a flyover have been built in a railway-line and irrigation canal area.

Sewage will be directed through drains from eastern Alexandria to southern Alexandria where it will be treated, then pumped to the 12-kilometre-long Deir el-Matar canal. The waste is then directed to the Mariut Canal where the sewage water, estimated at 300,000 cubic metres daily, will be mixed with about 12 million

cubic metres of farming drainage water which is channelled to el-Max pumping station.

In a bid to improve services during the summer season in Alexandria, the Railway Authority and the Public Transport Authority are about to run extra Alexandria-bound trains and buses.

Dr. Lutfi, talking about the next five year plan, said Alexandria will get a large share of the proposed projects, since the number of projects carried out in Alexandria under the current five-year plan has not been, proportional to its population or area, Alexandria being the second largest city and main sea-port city.

Meanwhile, Dr. Lutfi also indicated that the harbour and the airport of Port Said are scheduled to be improved and that for the first time the railway-line will be extended to Port Said. GSS

/9274

CSO: 4504/130

GOVERNMENT URGED TO RECONSIDER PESTICIDE USE

Cairo THE EGYPTIAN GAZETTE in English 27 Apr 86 p 2

[Text]

EGYPT'S production of ammonia nitrate will be doubled to reach up to two million tons annually within the coming three years, in order to realise self sufficiency in fertilizers, said Mr. Sabri Aglaan, chairman of the Chemical Industries Authority. He pointed out that the increase in fertilizer output will help cover requirements of agriculture and land reclamation, as well as export requirements.

Mr. Aglaan also said that the government of the Federal Republic of Germany has agreed to extend a loan of DM 200 million to participate in a project for establishing a new factory for ammonia nitrate in Alexandria with a capacity of 750,000 tons

annually.

FIRMS

He, moreover, said that international firms will be invited to extend tenders for the project very soon. "The factory will provide jobs for one thousand workers", he added.

"Feasibility studies are currently being conducted for the establishment of a number of expansion projects in the field of ammonia nitrate production, especially in El-Nasr Company for Fertilizers in Suez and Talkha, Kena Company in Aswan, and El-Nasr Company for Coke and Basic Chemicals in Helwan in a bid to double the output of these companies to reach 500,000 tons annually", he said. — GSS

/9274

CSO: 4504/130

FERTILIZER PRODUCTION INCREASED

Cairo THE EGYPTIAN GAZETTE in English 27 Apr 86 p 3

[Text]

THE government is adopting numerous measures to improve the productivity of the agricultural sector, so that it may meet a greater percentage of the citizens' requirements. However, despite the importance of these measures the Ministry of Agriculture should seriously reconsider one of them, namely the use of pesticides, which increase the levels of environmental pollutants and has detrimental effects on birds, fish, livestock and humans. In addition, the continued use of these substances depletes the soil of vital nutrients and eliminates useful microbes which aerate the soil.

According to a report prepared by Dr. Mohamed Helmi Belal, a professor of pesticides at Cairo University, Egypt imports pesticides with a value of 110 million dollars, annually, making it the second largest importer of pesticides in the world. These statistics reveal the extent to which chemicals are depended on to combat agricultural pests in Egypt, particularly when one considers the fact that the agricultural area encompasses less than 12 million feddans. The report also indicated that 85 per cent, or 7,443 tons, of imported chemicals are used to treat the cotton crops, with the remaining pesticides being used to protect other crops, such as fruits and vegetables.

The chemical components of pesticides now used in the country total approximately 400 and an important repercussion of this is that the pests' tolerance to the pesticides increases. Therefore, the application of greater quantities and, eventually, more toxic substances, is required in order to maintain the effectiveness of the pesticides. Furthermore, increasing the application and/or toxicity of the pesticides will

further increase the levels of environmental pollutants and the scope of the detrimentally affected land. In addition, crops raised for either human or animal consumption will absorb greater quantities of the poisonous substances, which will render them unsafe for consumption by either man or beast.

Due to the emission of noxious fumes and carbons from factories and motor vehicles, the levels of environmental contaminants have already reached dangerous levels, specifically in large cities, such as Cairo and Alexandria. Therefore, it is a matter of primary importance that the use of chemical-based pesticides in the agricultural sector be substantially curtailed.

As a result of modern scientific research, effective methods of agricultural pest control have been developed and are being utilised in the developed countries, and the Ministry of Agriculture should take advantage of this information. A further area to be considered is the success of Egyptian researchers in deriving effective medicinal substances from certain domestic herbs and other plants and these research activities should be extended to developing natural substances for pest control. For example, planting certain ornamental plants, such as marigolds adjacent to crops, prevents the crops from becoming infested with aphids, as does treating crops with a mixture of water and tobacco leaves.

Due to the serious health and environmental problems, the negative effects on arable land and the vast sums of foreign currency required to import pesticides, the Ministry of Agriculture should gradually eliminate the use of chemical-based pesticides while concurrently, developing and applying safe natural methods of controlling agricultural pests.

/9274

CSO: 4504/130

FUTURE COURSES OPEN TO MUSLIM BROTHERHOOD DISCUSSED

London AL-MAJALLAH in Arabic 28 May-3 Jun 86 pp 16-17

[Article by 'Abd-al-Latif al-Minawi: "After the Death of 'Umar al-Talmasani: The Muslim Brotherhood: 'Middle Solution' or Extremism?"]

[Text] Since 'Umar al-Talmasani entered the dangerous phase of his illness and was moved to the recovery room, the leaders of the Muslim Brotherhood have begun to search for a successor to him and to fear in their minds the renewed conflicts and struggles that had become hidden with the passage of time. Those leaders called for an emergency meeting at the beginning of the current month of May to discuss the post-al-Talmasani era. They came forward with a request to the Egyptian Minister of the Interior to hold a meeting of the general assembly of the Brotherhood in order to choose a new guide. However, the minister of the interior refused this request, for no group called the Muslim Brotherhood exists legally. So it was decided to hold a reduced meeting, which some of the leaders of the assembly attended, including Salah Abu-Shadi, Mustafa Mashhur, Dr Ahmad al-Malat, Dr Muhammad al-Za'farani, and several other leaders. Despite this meeting, the name of a candidate to succeed al-Talmasani was not discussed specifically, although the meeting was not able to avoid this altogether. In fact, names were suggested and motions were made by members of the Brotherhood either to propose a candidate or to convince someone to nominate himself. Announcements and newspaper interviews have begun to appear discussing the positions and ideas of the candidates.

It may be said that the Muslim Brotherhood might be split now into several fronts. Each front has its candidate to succeed al-Talmasani. Some of these are pointed to as the next guide for certain; some others are pointed to as strong rivals who are supported by a wing inside the movement. This does not mean that surprises are unlikely, for a candidate may come from outside the arena. The experience of al-Hudaybi is still remembered.

Three or four names have now surfaced, the relative strengths of whom vary and around whom various groups have separated. The strongest candidate is currently Mustafa Mashhur, one of those who were sentenced to 10 years in prison in 1954. He completed these 10 years then traveled to Munich where he lived with his daughter who resides there. Then, after his return to Egypt, he left once again in September 1981, when he learned in advance of former President Anwar al-Sadat's intention to imprison his opponents. He finally returned to Egypt after 5 years, which he spent in Germany. Mustafa Mashur

was nominated to succeed al-Talmasani by Farid 'Abd-al-Khaliq, Muhammad al-Za'farani, Dr Ahmad al-Malat, members of the Guidance Bureau. He has behind him the strength of a group of young Brothers not to be overlooked and the zealotry of Mustafa Mashhur. This may be one of the deciding factors in his nomination, for he has in the past protested against the method of flexible opposition used by the Brotherhood in dealing with the government.

Candidates

The second candidate is Muhammad Hamid Abu-al-Nasr, the oldest member of the guidance committee. His age may be the deciding factor in his case. However, in addition, he has behind him members of the Brotherhood from Upper Egypt and a large number of Brotherhood leaders who spent anywhere from 10 to 15 years in prison. Muhammad Hamid Abu-al-Nasr played a prominent role in protecting the organizational structure of the Brotherhood in the past. He was also responsible for the organization of the Brotherhood while Sayid Qatib was in prison. The third name in the competition for the post of supreme guide is Salah Shadi, a former police officer who was considered the spearhead of the Brotherhood within the police. The name of Salah Shadi was strongly proposed even before a few weeks had passed. His name was put forward although he had been supreme guide of the Brotherhood in May of last year and was removed by the constituent assembly of the Brotherhood. Despite the fact that this experiment was rejected, it is considered an indication of the weight that Salah Shadi carries within the group. However, this weight was greatly shaken after the newspaper pronouncements that Salih Abu-Raqiq, one of the most prominent and influential leaders in the group, made when he said, "I think that it would be wise and would avoid dangers if we did not choose the supreme guide from among elements that at one time had something to do with a special agency, so that no opportunity may be given to either our internal or external enemies to launch campaigns against us and to greedily attack us. We are not in need of this problem, especially with regard to violence." The announcement of Abu-Raqiq ended and with it also ended, it appears, the chance that Shadi would be chosen as the new guide to the Brotherhood, for the name of Salah Shadi was associated with the secret service of the Brotherhood and he is a former police officer and the Brotherhood appears to be in no need of opening new fronts. Nevertheless, there is a movement in the group to support Shadi. There are even rumors that say that he was already chosen as the guide of the Brotherhood at the Lausanne conference.

The fourth name mentioned as new guide is that of Muhammad Kamal 'Abd-al-'Aziz, whom Abu-Raqia proposed. However, 'Abd-al-'Aziz denied this later and said that he was surprised by this proposal.

The name of the fifth candidate, who is without a doubt the most likely one, is still not known and may be contrary to all expectations. For those who follow the methods of the Brotherhood would not be surprised if it came up with a man who is not conspicuously involved in events to succeed al-Talmasani, because a broad base of the Brotherhood rejects the struggles and fierce competition that do not lead in their eyes to anything but more fragmentation and factionalism. Perhaps the story of the accession of al-Hudaybi to the position of supreme guide is the best proof of this, since after Hasan al-Banna's death, some of the elements of the leadership within the group nominated

themselves for the position of supreme guide to oppose Salih al-'Ashmawi who was a candidate to succeed al-Banna by virtue of the fact that he held the position of assistant general guide and was one of his close associates. The prevailing belief was that the transfer of authority to al-'Ashmawi would take place peacefully and naturally. However, the fact that some members, such as 'Abd-al-Rahman, Ahmad Hasan al-Baquri, and Abd-al-Halim 'Abidin, had nominated themselves in opposition to al-'Ashmawi spurred the broad base to elect al-Hudaybi who was not among the most prominent candidates. He was chosen in order to avoid a conflict that might have been fatal if matters had proceeded in the manner of a fierce competition.

Thus it may be said that it is difficult to be positive about the name of the new leader. The month of Ramadan may be one of the reasons that will postpone the settlement of this matter until the return of the leaders of the Brotherhood currently located outside of Egypt.

Another Dilemma

There still remains another dilemma: In what direction will the Brotherhood go in the coming phase? How will its relations be with the various government and party forces? And with the Islamic groups that broke off from the Brotherhood? Al-Talmasani was a middle solution acceptable to everyone, for there was no conflict or clash, but rather a peaceful and wise movement in all directions for the sake of achieving the goals of the group. This method did not satisfy many within the group, although they agreed on the goals.

The group is now divided around two positions concerning the attempts to establish an Islamic party. For while some, and at their forefront Salah Shadi and his group, believe in the necessity of establishing an Islamic party, another faction, at the head of which is Salih Abu-Raqiq, lean in a different direction, seeing the futility of the attempt, since the committee on parties will not agree to such a party. As an alternative to this, they propose a current policy of action and movement for the Brotherhood that depends on dispersing among the parties and attempting to penetrate them and then take them over, if possible. Salah Shadi says that he has prepared a program for the new Islamic party and that it is currently before some of the "wise men" to be studied before being sent to the committee on parties.

Salih Abu-Raqiq, for his part, believes that the three choices available to the Brotherhood are: either to create a party, to return the Brotherhood to a legal status, or to work through the existing parties. He believes in the futility of the attempt to establish a new party and thinks that the enormous size of the Brotherhood currently would make it impossible for them to form an association under current association law. Thus, only the third proposed choice remains--working through the existing parties.

A professor of political science and one of the close followers of the Brotherhood movement believes that the coming period will not witness a great change in the policy of the Brotherhood in this direction, not because they believe in it, but because they have no other. Perhaps this position is consistent with the nature of the Brotherhood movement, which is characterized by a great

measure of intelligence in working out its temporary political alliances. Therefore, it is not expected that the Brotherhood will be counted among the existing parties, which include the Wafd and the Nationalist Party, but will continue its efforts to strengthen its support within these parties and to endeavor speedily for the sake of forming its future party.

Historical Role

The second question in this area is: Is it possible that the Brotherhood will turn in the near future to extremism in its positions in the absence of al-Talmasani, the "middle solution"? Dr 'Abd-al-'Azim Ramadan, a history professor who has written a number of things on the Muslim Brotherhood movement through the years answers us by telling AL-MAJALLAH that he does not expect that the coming phase will witness a noticeable change in 'Umar al-Talmasani's absence, because the Brotherhood has undertaken a historic role for the sake of which it has struggled and fought. It has always represented the moderate and enlightened trend in Islamic political thought. This trend has become now an example for the most extreme Islamic groups in their imposing their authority on the Islamic youth. I do not think that the Brotherhood under any other leadership will be in a better situation than it was during al-Talmasani's era. Its existence is necessary in Egyptian political life in order to find the right balance among the Islamic movements.

When AL-MAJALLAH asked Dr Ramadan if the group's tendency to head toward extremism during the coming period might itself suggest a name to succeed al-Talmasani or if the candidate would be the one who might impose this direction, he said that no future personality will affect the position of the group because every political party has a historical role that directs it, regardless of its leadership. However, if the Brotherhood headed toward extremism, they would hasten the end of the historic role they have played because the age in which we live needs more enlightened Islamic movement and not a more extreme one.

The Brotherhood and Islamic Groups

Shaykh 'Umar al-Talmasani told AL-MAJALLAH once, "We believe that the violence to which some religious youth have resorted is not an expression of fundamental trend among them, but is rather a reaction to the different kinds of torture and oppression that they have suffered. It was by the grace of God to the Brotherhood that it has not attacked or accused any of these groups which have made it a target of their antagonism, attacks, and slander. This is one of the things with which God has graced the Brotherhood. If the Brotherhood used violence, it would be able to contain these groups easily. But we try to have a peaceful dialogue with them in the manner of a good religious exhortation. I believe that the return of the Brotherhood could be tantamount to a safety valve against these groups for any excesses on their part."

This is what al-Talmasani said about the groups and he was speaking for his movement. The question is this: How will future relations be? Perhaps the description that Salah 'Isa the well-known Egyptian writer used to characterize

the Brotherhood is the most appropriate to answer this question: "The fundamental law that has governed the alliances of the Brotherhood throughout its existence has not been the achievement of the common goals, be they temporary or permanent, that bring it and other political forces together." This description fits because it answers most of the questions raised, including the relation with other Islamic groups. For it is not expected in the coming period that the Brotherhood will get involved in a relationship with these groups that might be counted against it. But it will try to attract them to its position without concessions or sacrifices from its side and without risking worsening relations with any other political movement with which it is in its interest to make an alliance. For the political savvy of the Muslim Brotherhood is unquestionable. However, despite this there remain question marks and expressions of expectation on faces, as they wait for an answer to the important question: What, after 'Umar al-Talmasani? Is it a "middle solution" or extremism?

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BRIEFS

OIL IN WESTERN DESERT--Five international companies specialised in oil, mineral wealth and subterranean water exploration, started their activities in the Western Desert, Siwa desert, Matruh and el-Salloum to be acquainted with the districts of concessions granted to them by the Ministry of Petroleum. These companies will examine soil and test stone layers in which oil could be found, according to the Governor of Matruh, Mr Yousri el-Shami. He further said that the experts of petroleum affirmed that the scientific reports conducted on a large scale have proved the possibility of discovering petroleum in the said districts. Mr el-Shami pointed out that the concessions of these companies range from 4 to 8 years and these agreements will be re-considered in the light of results achieved. [Text] [Cairo THE EGYPTIAN GAZETTE in English 18 May 86 p 2] /9274

TRADE WITH POLAND, MALAYSIA--Transaction worth 60 million dollars to each country will be signed at the end of the present month by Egypt and Poland. According to Mr Ali Abdin, Chairman of the General Company for Trade and Chemicals, exports covered by the transaction include cotton, cotton yarn, textiles, leather products rice and car spare parts, while imports will include sulphur, chemicals, plastics, paper, timber, building materials and light transport means. He added that similar transaction was recently signed with Malaysia, which will be worth 32 million dollars to each country, will be executed next month. According to the terms of this transaction, cotton yarn and textiles, phosphate, aluminium and fruit will be exported and rubber, timber and tin will be imported. [Text] [Cairo THE EGYPTIAN GAZETTE in English 20 Apr 86 p 2] /9274

NATURAL GAS ON NORTHERN COAST--The recently discovered fields of natural gas on the northern coast, some 80 kilometres from Mersa Matruh, will be utilised for the purpose of water desalination, for the first time in Egypt, said the Minister of Petroleum and Mineral Resources, Mr Abdul Hadi Kandil. This project will help cultivate new areas of land on the northern coast and will provide drinking water for petroleum companies' workers and their families in the Western Desert, he said. "The new project comes within the framework of the Ministry's policy that aims at establishing new integrated residential communities enjoying self-sufficiency in supply commodities and services," said the Minister. Natural gas discovered in these areas will also be used to operate the electricity generating station, which is to be set up on the northern coast in a bid to save the biggest quantity possible of petroleum as a strategic reserve, said Mr Kandil. [Text] [Cairo THE EGYPTIAN GAZETTE in English 27 Apr 86 p 2] /9274

PRIME MINISTER ELECT AL-SADIQ AL-MAHDI INTERVIEWED

Lagos THE AFRICAN GUARDIAN in English 8 May 86 p 54

[Text]

SUDANESE prime-minister elect, Sadiq Al Mahdi, had a long chat with *The African Guardian's* Reporter-Researcher, Ngozi Ojido, at his Party's headquarters in Omduman, Khartoum, on some pressing national issues. They include the civil war in Southern Sudan, the economic crisis and the application of Sharia law.

Below are excerpts from the interview:

The African Guardian: What is the state of the Sudanese economy?

Al Mahdi: The Sudanese economy has been dealt a very heavy blow by the ousted regime. The regime of Nimeiry by its very nature depended on coercion, misinformation, and the corrupt practice of buying political favours. All this meant a lot of over-expenditure that was more than the country's earned revenue and had a very negative effect on the economy.

Secondly, because of the bandit nature of the regime it did not really make any genuine development effort. The economy suffered tremendously and the country also acquired a huge external debt of US \$12 billion which is more than the national product. This is the economic record of the Nimeiry regime.

However, we believe that the country's potential in terms of resources is very good indeed. We think that with proper leadership, proper economic administration and the complete elimination of corruption, it is possible that the Sudanese economy will very soon take off.

What about the recurring problem of the South?

The question of the South is an important one. We think that for the first time in modern history the problem of the South is no longer posed by the different factions involved in terms of separation or secession but in terms of differences over the nature of government and politics of the whole Sudan. This is an indication of the development of a national conscience in the Sudan that was absent in the recent past. Secondly, there is no longer a kind of North-South polarisation. Many problems that are within the South itself which require a revolution in terms of justice, are not expressed at all in terms of North-South confrontation.

How do you think the problem can be effectively resolved?

The genuine issues that can and should be resolved by the constitutional conference are the relations between the centre and the region, the issue of balanced development between the different parts of the country, the issue of participation which should mean that the different ethnic groups in the Sudan are properly participating in the public life of the country, the issue of the reconciliation between the aspiration of the moslem majority and that of non-moslems, the issue of Arabism and Africanism in the identity of the country, the issue of the national composition and deployment of the armed forces, and the issue of the just distribution of the country's revenue and mineral wealth.

We believe that these issues are genuine and should be examined and resolved by the suggested constitutional conference. If all goes well, it is possible to outline an agreement between the Sudanese people over those issues.

Now to the controversial issue of the Sharia law. What is its place in the new political reality? What do you think of the way Nimeiry applied Sharia?

What Nimeiry did had nothing to do with Sharia. He simply legislated laws which used the name of Islam to buttress dictatorship, to buttress coercion. Therefore, we have said that those laws are a mutilation of Islam, an insult to Islam and should be completely abrogated.

But isn't it true that your party is also Islamic in orientation

Yes, we are an Islamic ideological movement which has outlined its road to islamisation clearly in a set of books; one of them is titled *Islamic Punishment in the light of an Islamic Social Order*. Every aspect of life to do with Islamisation is discussed and analysed in this book.

Anyway, part of our scheme for the revival of Islam involves an agreement with non-muslim Sudanese about the outline and preservation of their full citizenship rights, their full human rights and their full religious rights

In your own programme would Sudan be under an Islamic judicial, political and economic system or would it be a secular state in all respects?

Well you see, our first point is that the

distinction between this and that is not legitimate in Islam, because Islam caters for secular rights within its own system. If we reject Nimeiry's concept of Islam it is because the issue of secularity and non-secularity does not arise really.

Is there no contradiction between running an Islamic State and guaranteeing the fundamental rights of non-moslem Sudanese? Since they can conveniently argue that they have a right to drink, would such a state in the Sudan invest money for the importation or brewing of alcohol for instance?

Under a proper Islamic regime non-moslems are not required to abide by such principles. They may drink alcohol and trade in alcohol without being in anyway opposed to Islam.

WHAT lessons do you draw from Nimeiry's foreign policy.

Nimeiry's mistake was to align himself first with the East, thereby incurring the wrath of the West, then he aligned himself with the West with the reverse consequences. In both cases the lesson of his regime is that alignment is wrong.

With regards to our neighbours, Nimeiry followed an active kind of policy which is wrong for Sudan because, as I pointed out earlier, the Sudan has eight neighbours. Such a situation requires the pursuance of a balanced policy which is based on good neighbourliness, thereby preventing any kind of polarisation amongst our neighbours.



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SUDANESE WOMEN'S UNION PRESIDENT INTERVIEWED

Khartoum SUDANOW in English May 86 p 13

[Text]

Sudanow contributor, Nabawia Mohamed Mahgoub, discusses the position of women with Fatima Ahmed Ibrahim the critically outspoken president of the Sudanese Women's Union.

SUDANOW: *It is argued that the May regime granted Sudanese women their economic, political and social rights. What is your comment?*

FATIMA: This argument is completely wrong. Above all it is inconsistent with the nature and politics of that regime. In fact, Sudanese women enjoyed fundamental rights since the 1960s under the leadership of the Sudanese Women's Union. They acquired their political rights in 1965, the right of equal pay for equal work in 1967, the right to maternity leave, equal employment opportunities and the right to a pension in February 1969. By May 1969, when Nimeiri took over, the rights of Sudanese women were already approved on the legal level, though they had not yet been implemented. The May regime distorted the concept of women's rights because its policies were not designed to serve the interests of the masses, including of course Sudanese women. Under conditions of increasing mass impoverishment and rising prices — to the extent that people's income could not meet the expenses of basic necessities — it is inconceivable to talk about women's rights. For example, how could working Sudanese women think about their future pensions if the minimum requirements of their daily life were not guaranteed?

Under these deteriorating economic conditions, and the lack of health care and human housing, the coming of a new child in itself became an additional burden to be shouldered by the family. Thus, the right for maternity leave became meaningless.

Moreover, Nimeiri's policies led to clear cut class divisions. They created a class of millionaires at the expense of the poor majority. The famine which resulted in the death of millions was the logical outcome of this policy. In such a class society where men themselves could not be equal, equality between man and woman is completely impossible. Since there is a minority of exploiters and an exploited majority, Sudanese women could be classified only within the most exploited.

Q: *Although women participated in the political struggle against the May regime, they are not represented in the transitional government. How can you explain this?*

A: There is a simple explanation. Firstly, those who assumed power were not representative of the masses. The Transitional Military Council (TMC) was not brought in by the masses. Secondly, those who supervised the formulation of the Council of Ministers have hostile attitudes towards women and they do not recognise women's rights and their struggles.

Q: *The Establishment Bureau administrators justified the discrimination in the housing allowance between the married women and men by refer-*

ring to sharia law, which confines the responsibility of supporting the family to the husband only. What do you think about this?

A: This is one of the problems of those who are planning for this country. For example, those who designed the housing allowance neglected the crux of the matter, which is the housing crisis. A proportion of 25 per cent of the basic salary is not sufficient to hire a house. In fact, the allowance of the husband together with that of his wife is also not sufficient. However, more important here is that working women's rights should not be decided on the grounds that the man is responsible or that she is a female. Women perform the same work as well as men.

Q: How do you explain the rejection by the TMC and the Council of Ministers of the National Alliance's proposal for the representation of modern forces in the parliament (which would give women nine seats)?

A: The TMC and the Council of Ministers deprived the modern forces (workers, peasants, professionals, etc.) of their right to be represented in the parliament. This decision was made because both councils know the significant role which these forces played in the revolt. They were able to organise a political strike which led to the downfall of the regime. It is natural that women could not be represented by the two Councils that denied this right to the modern forces.

Q: Do you think that the performance of the transitional government satisfies women's expectations?

A: The transitional government did not even fulfil the agenda of the National Charter. How could women expect anything from this government? In fact, women expect nothing from it — and indeed what women receive is neglect and unfairness.

Q: What do you think about the sug-

gestion of the formulation of a national government after the elections?

A: I think this is off the point. This suggestion could be accepted only as an alternative to elections on the grounds that the financial situation of the country could not tolerate the expenditure of the election or if it was accompanied by a suggestion calling for the resignation of the two Councils and formulation of a new government to fulfil the agenda of the National Charter, firstly, and secondly to put another Charter for the Salvation of the country in these areas in which there are no political differences. To interfere in affairs which are not included in the agenda of the transitional period is a matter which I can not understand, especially when we know that this government failed to achieve its basic duty.

Q: What are the priorities of the Sudanese women's struggle during the next stage?

A: We believe that the first task of women in the next stage is to practise their political rights and to struggle to be part of the decision-making. Politics interferes in women's private affairs. Politics determine the prices of all women's necessities, the milk for their children and the nutrition of their families. Thus if a policy is directed towards the interest of the masses it will provide the necessities for women. Therefore, we believe that women should try to direct the nation's policy to serve and safeguard the interests of the masses. The second task is to solve the problem of homeless children. This huge army of homeless children represents a serious problem in our society and it is inhumane to leave them without food and a home. The third task is to emancipate men and women from illiteracy. The fourth task is the amendment of the family law in accordance with Islamic and Christian jurisprudence.

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MZALI'S POWER BASE SAID TO BE ERODED BY CABINET RESHUFFLE**London MIDDLE EAST ECONOMIC DIGEST in English 24 May 86 pp 25, 26****[Text]**

THE power of Tunisia's Prime Minister Mohamed Mzali has been eroded in recent weeks by a series of cabinet reshuffles that have removed his allies from the government. Diplomats in Tunis are still uncertain whether these changes herald the removal of Mzali himself — an event that would open up a potentially bitter struggle for the premiership, and thus the succession to the aging President Bourguiba.

The roots of these political changes lie in a power shift that has taken place since summer 1985 at the presidential palace in Carthage. President Bourguiba, whose health has improved since his heart problems of November 1984, has again started to take an interest in the day-to-day running of the government. More important, fresh advisers have gained access to the president, supplanting in turn Bourguiba's former private secretary Allala Laouiti, his wife Wassila, his son Habib Bourguiba and his special adviser Mongi Kooli.

In the saturation coverage given to presidential activities by the local press and television, a new set of faces appear by the president's side — on his daily walks and at official palace functions. Mansour Skhiri, the head of the president's private office, Mahmoud Belhassine, Bourguiba's special adviser, and Saida Sassi, his niece, have all to a greater or lesser extent helped the president to take the decisions that have reduced the power of the prime minister, diplomats say.

The backdrop to these changes is the deteriorating economic situation in Tunisia and the unrest at the university and among the trades unions. The recent political changes have expressed the president's new resolve that something must be done to rectify the position. A drive against corruption in high places began towards the

end of last year and has resulted in the imprisonment of a former head of Tunis Air and a former chairman of Union Tunisienne de Banques. It was Wassila and Habib Bourguiba Jr's attempts to intercede on behalf of these men that led to their estrangement from the president.

Ammunition

Mansour Skhiri's appointment in December 1985 to oversee development projects is expected to supply ammunition for other such investigations — a judicial inquiry has been set up to examine the Tunis metro project, which has been the subject of substantial delays and cost overruns. Skhiri's position was further strengthened on 7 April, when he replaced Mezri Chekir as minister for the civil service and administrative reform in the first of the cabinet reshuffles. Skhiri now has offices in the two centres of power in Tunisia — the presidential palace at Carthage and the government's headquarters in the Casbah.

The change was a "key signal" to the prime minister, observers say. Not only did it set the seal on the rise of Mansour Skhiri, but it also removed one of Mzali's closest cabinet allies — Chekir. The subsequent reshuffles have further reduced Mzali's influence.

The US raid on Libya and a further spell of student unrest at Tunis university provided the background for the next set of cabinet changes. Street demonstrations outside the US embassy were broken up by the police as the government refused to condemn the American attack — partly because of Bourguiba's traditional sympathy for the US, and partly due to present cool relations with Libya.

Soon after this challenge to the government's authority — which resulted in the

imprisonment of opposition leader Ahmed Mestiri — student demonstrations erupted at the university. About 1,500 arrests were made and a student member of the Islamic party was shot by police.

Tough line

Mzali was on a visit to Kasserine, in the southwest, when the next changes were decided. Zine el-Abidine Ben Ali, responsible since the January 1984 riots for reforming the country's police and security forces, was appointed interior minister, taking the portfolio from Mzali. Diplomats say this indicates that the government will take a tough line on student and union demonstrations.

At the same time, Bourguiba decided a reform of the university system designed to combat the unrest, which stems mainly from the demands of Islamic activists. The university is to be split into three sections, located at separate sites in the north, centre and south of the country. Amor Chedli was brought into the cabinet in the 5 May reshuffle to supervise these reforms.

Other Mzali allies to leave the cabinet are the former culture minister Bechir Ben Slama, replaced in the latest reshuffle on 12 May, and Amor Guedira, removed from his post as secretary-general at the Interior Ministry. Guedira's departure leaves Zine el-Abidine Ben Ali in sole control of the police and security forces.

An attempt has also been made to invigorate the administration of the economy, according to a plan put forward by Rachid Sfar. In the 28 April reshuffle, Sfar was transferred to the old Finance Ministry —

renamed Finance & Economy — and the former National Economy Ministry was split up. Energy and mines are handled by Salah Ben M'Barka, the former finance minister; the industry and commerce portfolio goes to Slaheddine Ben Mbarek, former head of the Banque de Co-operation du Maghreb Arabe (BMCA), the joint venture bank set up with Algeria.

Mzali's position may become clearer after the congress of the ruling Parti Socialiste Destourien (PSD), planned to be held between 19-21 June, diplomats say. The congress is to discuss party strategy ahead of the November parliamentary elections — the first since the elections of November 1981 in which the PSD swept the polls, amid allegations of ballot-rigging.

The elections pose yet another challenge to the prime minister. Mzali has in the past advocated a policy of increased democracy, calling last November for free and fair elections in 1986. He held exploratory talks with the Islamic party — the Mouvement de la Tendance Islamique (MTI) — at about the same time, leading to speculation that the party would be allowed to contest the elections.

The recent clampdown on Islamic activists at the university, and the arrest of Ahmed Mestiri, suggest the government may take a different line. A substantial electoral reverse for the PSD, the party that Bourguiba founded, would not be tolerated by the president, diplomats say. And they point out that by losing control of the interior portfolio, Mzali has lost the ministry that will organise — and if necessary distort — the November elections.

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EFFECT OF FALLING OIL PRICES ON ECONOMY

London MIDDLE EAST ECONOMIC DIGEST in English 10 May 86 p 33

[Text]

THE various economic difficulties Tunisia has faced since 1982 came to a head in summer 1985, when the government imposed a severe cutback on imports. The rising deficit on the current account in 1982-84 brought about a worrying increase in external indebtedness. And foreign exchange reserves have dwindled from \$607 million at the end of 1982 to \$233 million at the end of last year. A further challenge is posed this year by the recent collapse in the price of oil, which still accounts for more than 40 per cent of total export earnings. Other exports — phosphates, agricultural goods and solid fertilisers — are unlikely to show much growth in 1986, so further import cuts are likely if the balance of payments position is to improve.

Growth The fluctuations in the agriculture sector since 1981 have had the greatest influence on changes in gross domestic product (GDP). Growth in other sectors, such as industry and tourism, has been sluggish. The severe drought of 1982 was mainly responsible for the small contraction of total GDP — at constant prices — in that year. Since then, constant GDP growth has been roughly 5 per cent a year, as the agricultural sector has slowly recovered; the population is growing at a rate of about 2½ per cent a year. Prospects for 1986 growth are affected by the poor outlook for the agricultural sector, which has again been hit by drought in the south and central regions. MEED predicts a growth figure of about 3 per cent for 1986.

Balance of payments The trade deficit exceeded \$1,000 million every year in the 1980-84 period, but fell back to about \$810

million last year as a result of a clampdown on imports. Revenue from oil exports, which made up 42 per cent of total exports in 1985, has fallen consistently in dollar terms since 1981. Production peaked in 1983 at 111,000 barrels a day (b/d) and Tunisia is expected to become a net energy importer in the early 1990s.

A further fall in oil income in 1986 is expected to cut total export revenues this year to \$1,400 million. Assuming there is some easing of the restrictions on imports this year, and given the poor outlook for the cereals harvest this summer, total imports should hold steady at about \$2,400 million (see table).

The current account deficit moved sharply upwards in 1982 and remained at around \$700 million annually for three years, bringing about a worrying rise in external debt. Tourism revenues and remittances from Tunisians working abroad have not proved sufficient to close the gap left by the trade account. The improved trade figures for 1985 allowed a temporary reduction in the current account deficit, but the poor trade outlook for 1986 suggests the current account deficit will widen again to about \$700 million.

Public spending The government has attempted various ways of reversing the growth in the budget deficit that took place between 1982-85. In January 1984, it tried to reduce an annual commodity subsidy of about TD 100 million (\$140 million) by doubling bread and wheat product prices. The move sparked off countrywide rioting and forced the government to back down. Commodity subsidies will now be reduced gradually, and cuts have been imposed

instead on the investment budget. An 18 per cent cut has been budgeted for 1986 in an attempt to reduce the budget deficit by 11 per cent, to TD 430 million (\$596 million). Meanwhile, debt service accounts for an ever-growing slice of government spending — 22 per cent of total budgeted spending in 1986.

Debt Total external debt reached about \$5,500 million at the end of 1985, compared with \$5,290 million at the end of 1984. The country has been forced to borrow to finance its deficit on the current account, pushing the total debt up to roughly 65 per cent of GDP at current prices. Debt service has also been rising steadily, amounting to a total \$800 million in 1985, and the government has been forced into more expensive borrowing on the international financial markets to cover its current account deficit. Tunisia managed to stay away from the market in 1985 by cutting imports and drawing down exchange reserves. But reserves have fallen to minimum levels, and the country is likely to resort to the international capital markets on an annual basis for the foreseeable future.

Outlook After a successful attempt to improve the balance of payments position in 1985, Tunisia faces a difficult year in 1986 as a result of the oil price collapse. The deficit on the current account is expected to increase again to roughly \$700 million as the trade deficit widens and tourism income improves only marginally. The government will have to borrow on the international markets to finance these deficits at a time when banks are becoming more and more concerned about the country's prospects. One option that the government has yet to sanction is a rescheduling of external debt. If no further savings can be found in the investment budget or by cutting imports, it is an option Tunisia may be forced to consider.

/9274

CSO: 4500/131

LABOR MINISTER QATZAV PROFILED

Tel Aviv KOTERET RASHIT in Hebrew No 174, 2 Apr 86 pp 16-18

[Article by Na'omi Levitzqi: "The Other Face of Moshe Qatzav"]

[Text] He was the only politician that came out from the Herut convention as unruffled as when he entered it. Even when he was forced to get off the stage under guard, while the supporters of Sharon and Levi were screaming at him that he broke up the convention, Moshe Qatzav kept his good manners. It seems that he is resistant to the type of violence that makes other Herut leaders, including even Yitzhaq Shamir, lose their cool. He forgets his manners on other occasions, far away from newspapermen's notebooks and television cameras.

Moshe Qatzav, 40 years old, a professional public figure, bears the communication image of a good Jerusalem boy. It is doubtful that this image will be useful to him during the continuation of his path, when he tries to establish a place for himself at the Herut top. In any event, this image is far from Qatzav's manner of work in reality. As he demonstrated during his generally successful term of office as head of the council of Qiryat Mal'akhi and later in the Knesset and in the government, Qatzav the politician--to differentiate from Qatzav the man--can be egoistical, party-minded, bad-tempered, and intolerant to the point of discomfort. True, most politicians are such, but the public image that Qatzav has created for himself says: "I am not like everyone."

In 1969 Qatzav ran for the office of head of the council of Qiryat Mal'akhi. His opponent was David 'Avudi, a member of the Alignment. Qatzav was 24 years old. He won and became the youngest council head in the country. The Alignment contested the results and after 3 months expelled him. In 1973 he ran again, signed a rotation agreement, and after 2 years returned as head of the council. People say that he has succeeded in his job.

In 1977 'Ezer Weizmann, then one of the heads of Herut, saw to it that Moshe Qatzav was put on the Likud list for the Knesset. Qatzav aspired to more. "When I was elected head of the council," he says, "I was happy, but I wanted to be a Knesset member. When I was elected to the Knesset, my dream was to be a deputy minister, and when I became a deputy minister, I began to think about the post of minister. Each time I dreamt about another forward step."

Method of Appointments

Polished politicians know that their road will be paved not only by their charm, but also by means of political appointments. This phenomenon is especially acute in the present government. If Qatzav is unusual, he is unusual in a bad way. I heard about his first personal appointment in Qiryat Mal'akhi. When he was the council head, he saw to it that his uncle, Haviv Alon, was appointed director-general of the local center for culture, youth, and sports with management consisting mainly of Herut members at his side. When Qatzav was appointed deputy minister of housing and was put in charge of neighborhood renewal, he appointed Arye Figel, his personal assistant, project director in Qiryat Mal'akhi against the wishes of the council head.

In September 1984 he was appointed minister of labor and social welfare--the youngest government minister. A wave of political appointments intended to strengthen Qatzav's position in his party swept the ministry in 2 months.

He works by the stick and carrot method. At first he invites the victim and suggests that he leave willingly with increased compensations and fully paid long leaves. If he fails, he adopts the stick method: He isolates the victim, restricts his steps, curtails his authority, and, finally, fires him, claiming that he does not perform his job. "People say that you are destroying public service," I told Qatzav. "You fire professionals and bring in unqualified Herut members."

"Indeed, there are political appointments," Qatzav says, "but I did not dismiss professionals in order to bring in my people. I demand 100 percent qualifications for every job. I am not satisfied even with 90 percent qualifications in order to bring in my people. But if 70 percent of the state employees are allowed to be identified with the Alignment, there is no reason to disqualify Herut members. Everything that I do is done in accordance with the law and civil service regulations."

Violations of Civil Service Regulations

The Institute of Labor Productivity was one of his first victims. This is a professional institute, which operates as a public corporation in cooperation with the Histadrut and employers. Former ministers of labor, including TAMI members, avoided touching the institute. Not so Qatzav. Israel Midan, a professional man and one of the founders of this institute, was removed from the post of director-general. Qatzav replaced him with Yosef Dori'el, a public figure in the Herut branch in Tel Aviv, whose qualifications as an engineer and his private business ventures were controversial ("Yosqe's Return," KOTERET RASHIT, 150). The appointment was made against the position of the Histadrut and employers. The two bodies are now engaged in negotiations for the establishment of an alternative to the institute, which, in fact, functions today as a department submissive to the Ministry of Labor.

"Let them leave," Qatzav says. "I am doing what I think is right. The prime minister also telephoned me, seeking to prevent Midan's replacement, but I stuck to my opinion."

He appointed Nissim Barukh director-general of national insurance. Indeed, this is a political appointment, but the man has a professional background. Other appointments in national insurance are less camouflaged. We will mention a few: David Men'a, a senior public figure in the Herut movement, was appointed deputy director-general for special tasks (incidentally, Men'a apparently violates civil service regulations, which prohibit political activities by state employees). Qatzav appointed Arye Figel, his senior assistant, assistant to spokesman Dov Qol. Moshe Hoge, formerly personal assistant to Avraham Natan, a Herut member, a civil service commissioner, was appointed deputy director-general of administration. Asher Nagar was appointed director of the Tel Aviv branch and Moti al-Farih, director of the Haifa branch. Both of them are members of the outgoing Herut center.

Ya'aqov 'Aqnin, a land merchant in the areas and formerly head of the Israel Land Administration, was appointed Qatzav's special salaried adviser for Arab affairs (!). Recently, 'Aqnin's name has appeared as the central figure in the investigation of the land bribe case in the bank. 'Aqnin has resigned from his job in the Ministry of Labor.

The next candidate for dismissal is Barukh Haqlai, director-general of the employment service. Haqlai, a veteran member of the service, refuses to leave. Qatzav uses the stick tactic on him. He appointed Aharon Sadovniq, a member of Herut, deputy director-general for workers' affairs at his side. Moshe Asulin, former deputy director-general, received a new job: deputy director-general for special tasks. Now two people receive salaries, transportation, and additional hours. I asked Qatzav if, indeed, he intended to replace Haqlai. "I have not yet decided," he answered.

Qatzav Camp

The abundance of advisers and personal assistants, with whom Qatzav has surrounded himself, is one of the phenomena in absolute contradiction to his personal modesty. They include Shamir's people, Levi's people, and Sharon's people. This is one of the proofs that Qatzav seeks to establish for himself, at the next stage, an independent camp of his own--the Qatzav camp.

(Marian Grisaryo) is assistant to the minister. He holds an additional post--treasurer of the local council of Ganey Tiqva. Edmund Mutzafi is adviser to the minister on employment in the Arab sector and Rami Levi, adviser to the minister on Galilee affairs. Avi Lev is assistant to the director-general. Shim'on Moshe is adviser to the minister. Yo'av Alon is assistant to the minister and Avi Yitzhaq is assistant to the minister (Qatzav says that Yo'av Alon is leaving). One adviser serves as a camouflage and works without a salary. This is Dr Gad Deqel, the brother of Mikhael Deqel, a pensioner serving as adviser on vocational training matters. The battery of assistants and advisers extends the confusion in the ministry's professional team. These people can, perhaps, solve their own problems of unemployment and those of their colleagues, but their ability to solve the oppressive unemployment problems of the state is limited. The professional team's authority is curtailed and the team is not included in the decision-making process. Those that are not Herut members fear dismissal.

Wireless Telephone

When he left the post of head of the council of Qiryat Mal'akhi for the appointment of deputy minister, he vacated his chair to his deputy Yosef (Va'anuno). On the eve of the elections (Va'anuno) and other party activists left Herut and joined 'Ezer Weizmann's Yahad. Qatzav did not forgive him for his "desertion," as he called it. He began to organize activities to remove (Va'anuno). On the outside he denied any involvement in the internal affairs of the village. From time to time the sharpest exchanges of words broke out between the two. Perhaps Qatzav would have come out the winner from this struggle if he had not bought a wireless telephone during one of his visits to the United States.

He liked this game. He used to sit in the garden of his home and to talk with friends. Moshe Shim'on, "Shimi" to his friends, a central Herut activist in the village and a follower of Ariel Sharon, also wanted to hear the content of Qatzav's conversations. He used to situate himself close to Qatzav's home with his own wireless telephone and to join in and listen to his conversations. He did not wish to cause harm; he only wanted information. The fact that information is equal to power is also recognized at the local level of politics. One day Shim'on heard Qatzav planning a strategic move to expel the council head. He jumped with excitement and with the telephone in his hand ran quickly to the home of a neighbor so that the latter too might hear this. Qiryat Mal'akhi is a small village and within a few minutes everyone, including the council head, knew the content of the conversation.

"At first I supported (Va'anuno) as head of the council," Qatzav said, "but I was disappointed at his performance. It also hurt me very much that he left the party. I love 'Ezer and we have excellent relations. But the office of council head is a very strong political position of power. Since he joined Yahad there has been a break between us."

As the date of elections to the Knesset drew closer, the atmosphere in the village became heated. The hostility between (Va'anono) and Qatzav dropped to the lowest level. A mass assembly on behalf of the Likud with the participation of David Levi was planned a few days before the elections. Qatzav did not like the site chosen for the assembly and tried to convince the police representative to change it. When he did not succeed, he dealt harshly with the policeman. The station commander had to intervene and to calm the situation. Did Qatzav lose his self-control?

Qatzav: "We had a sharp exchange of words, but that was not so terrible. I was angry, because the Yahad movement was given a more successful site."

"Insolent"

One of the heads of the Labor Party said that Qatzav was Shim'on Peres' darling when the present government took office. This affection has dissolved during the 19 months that have passed since then. This week, at a government meeting, Qatzav submitted a question to Peres in connection with the speeches made by ministers Shahal and Ya'aqobi on behalf of the government at the

Knesset's plenary session. Peres refused to answer. "You are the most party-minded minister in the government," Peres was quoted later. "If you don't like this, you can draw conclusions."

"In everything concerning personal matters," Qatzav says, "I have never waged a fight, but in public matters and in the area of principles I do not compromise and am not ready to give up easily. Against this background from time to time I had differences of opinion with the prime minister, as I also had with others. I am personally involved in the problem: On the one hand, a finance minister from Likud and on the other, the prime minister. Since the establishment of the government I have not received help or backing from them. I am not more party-minded than any other member of the government. There are even people who have more party appointments. My approach is national."

Qatzav can say that the anger that he evokes in Peres and in other politicians results from his fight for his views. According to politicians, his style is the problem. He is "insolent." When Peres came to Qiryat Mal'akhi a few months ago to receive honorary citizenship there, the minister from Qiryat Mal'akhi did not bother to come to the ceremony. Qatzav: "I spoke with the prime minister, I apologized, and I explained to him that I had another obligation."

Ora Namir is chairman of the Knesset's Labor and Social Welfare Committee. She was hurt by Qatzav's manner of speech. The key word is insolence. On the other hand, Qatzav complained about Namir to the prime minister. According to him, she disturbed him in his work. Namir claimed that he rejected each of her proposals and conspired against the Histadrut.

Eli'ezer Shustaq, one of the oldest Knesset members, a member of the Labor and Social Welfare Committee, called for the dismissal of Nissim Barukh from national insurance and was very severely reprimanded by Qatzav in the presence of other people. Shustaq was hurt, perhaps because of the age gap. He was also reprimanded because of his cooperation with Ora Namir. "I have never hurt anyone," Qatzav told me this week. "Certainly, I speak harsh words, but I do not lose my head. In Shustaq's case he suggested that Nissim Barukh be fired from national insurance without any justification and without consulting me. I was angry. True, I was also angry at Ora Namir, but I was told that I had a talent for speaking harsh words without hurting."

In 1980 the State Department invited Qatzav for a visit to the United States. At that time Dayan resigned from the government and a vote of no-confidence was on the agenda. Qatzav wanted to go on that trip. He was advised to ask Shahal, then head of the Alignment faction, for party equalization. Shahal, as is his custom, let Qatzav understand that his request would be fulfilled. One day before the trip Shahal changed his mind and Qatzav was in tears. 'Uzi Bar'am sympathized with him. "I will be responsible for party equalization. Go in peace." Qatzav was very moved and sent a thank-you-letter to Bar'am. Then he went on his trip. After several months, during another vote, Bar'am had to go to Tel Aviv. He asked Qatzav for party equalization. "What do you want from me?" Qatzav said. "Go to Corfu."

Whatever the complaints of politicians may be, no one disputed Qatzav's modesty and integrity in private matters.

Shamir, Levi, Shamir

During the period of his office as deputy minister of housing he became embroiled in a big dispute with David Levi in connection with the control of the neighborhood renewal project. He went on a leave of protest and after a talk with Begin returned to his job.

Qatzav: "True, I had a big dispute with Levi. I said terrible things about him in public and I took a tremendous risk that he might fire me."

Qatzav was not fired and during the contest between Levi and Shamir after Begin's resignation Qatzav announced his support for Levi.

"Some of your close associates say that along with your declared position you hinted that they should vote for Shamir," I told him.

"I did not tell my people to vote for Shamir. In that contest I supported David Levi and in the contest between Sharon and Shamir I voted for Shamir."

"What has led you to support Levi suddenly?"

"I struggled over this matter a great deal. The dispute had already been behind us. Indeed, I was not sure that my decision to vote for Levi was correct, but I decided and that was that. Perhaps I felt a moral obligation toward him. I don't remember exactly what passed through my head then."

In any case Shamir won in that contest and appointed Qatzav minister of labor and social welfare. "If the contest between Shamir and Levi had taken place today, I would have voted for Shamir. If there had been a contest between Arens and Levi at the convention, I would have voted for Arens."

"And when there is a contest between Sharon and Levi, for whom will you vote?"

"If Levi opposes Ariq, I will weigh the matter and decide."

Even today, after the convention, Qatzav refuses to define himself as belonging to one camp or another. "Not everyone must find a solution for himself." In the Levi camp and in the Sharon camp he is defined as a Shamir man. Within the framework of the wave of accusations that is sweeping Herut today Levi's and Sharon's people say that he is "parve" and an "opportunist." Nevertheless, all the camps want him. There is no doubt that he is a high-value share.

I asked Qatzav if he had ambitions to be No 1 in Herut. "There is an opinion," I said, "that after the rotation the Shamir camp will reach the conclusion that only with you do they have the chance to successfully run against David Levi."

"I don't have ambitions to be No 1. Even with me they don't have a chance. If they are counting on me, they are making a big mistake. I prefer to think about a constellation, in which Sharon, Levi, and Arens will ask Shamir to continue."

"A phenomenon of populism and an attempt to please the public were present there. Ariq and Levi did not make any attempt to stop the unruliness. Thus, to my regret, what happened, happened."

The handsome man, the most good looking of ministers according to the pronouncement by the weekly SIGNON [Style] of MA'ARIV, has matured quickly, perhaps too quickly, in the power politics of the Herut movement. He tries to remain outside of it, at least in his declarations, but, unheedingly, he is inside it, callous and unrestrained like the others, an inseparable part of Qatzavim [Butchers'] Alley.

11439

CSO: 4423/106

RELIGIOUS DEMONSTRATORS GET SPECIAL TREATMENT

Tel Aviv YEDI'OT AHARONOT in Hebrew 2 Apr 86 pp 6, 7

[Article by Nitza Aviram, YEDI'OT AHARONOT correspondent: "The Police Treat Religious Demonstrators With Kid Gloves"]

[Text] Research examining police conduct during demonstrations reveals that the police show excessive restraint toward religious demonstrators and have a preferential attitude toward this population.

The research was conducted by Giyora Goldberg and Shemu'el Leyman-Viltzig from the Department of Political Science at Bar-Ilan University. Police reaction to public protest in Israel was examined within its framework. The researchers gathered the data on public protest and demonstrations in the country from newspaper publications over a period of 20 years. A total of 2,102 demonstrations and protest assemblies were examined.

The research also examined cases of use of firearms. The public stand on police reactions was examined by means of a questionnaire, to which 1,250 people answered (a representative sample of the adult Jewish population in Israel). Those examined answered the question as to how the police handled demonstrations: with too strong a hand, with too weak a hand, or as necessary?

The research reveals that the police do not lose their patience in the face of a large number of demonstrators. During all the giant demonstrations there was no extreme reaction, or use of firearms, on the part of the police. The use of firearms was more frequent during small demonstrations.

The conclusion reached by the researchers is that the authorities are not excessively forceful and that there is a tendency toward restraint. Researchers have determined that part of the phenomenon of excessive restraint during religious demonstrations results from the policy according to which religious arrestees cannot be transported on Shabat. They explain that this prevents an aggravation of the protest on the part of religious circles.

According to the researchers, there is supervision of the police on the part of civilian authorities. This explains the fact that the police are not too forceful against religious demonstrators. At the same time, according to the

research findings, there is no fear that the police will become a tool mobilized for party purposes under the guise of national needs.

With respect to the public stand on the question of the handling of demonstrations by the police about 52 percent of those questioned answered that the police handled demonstrations "as necessary." About 22 percent believe that the handling is "too weak" and only 19 percent that it is "too harsh."

As the age of those questioned rises, the satisfaction with the handling by the police increases.

The income element is also important. Richer people tend to show dissatisfaction, claiming that the handling of demonstrations by the police is "too weak." The religious people questioned were also less satisfied with the handling by the police.

11439

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MINISTER OF ECONOMY REVIEWS CURRENT SITUATION

Abu Dhabi AL-ITTIHAD in Arabic 17 Mar 86 p 17

[Interview with Victor Qasir, Lebanese minister of economy, by May 'Aboud in Beirut; date not specified.]

[Text] After 11 years of war and hostilities in Lebanon, the man in the street has lost all hope of peace. He has become accustomed and adjusted to hostilities. He lives in and with a state of war. However, his major and most difficult confrontation is with economic conditions and his battle with the ever-rising cost of living. Famine lies in wait at his doorstep now that the prices of goods, especially essential needs like wheat, flour, sugar and rice have doubled, to say nothing of such luxuries as cigarettes, beverages, perfumes, etc.

In a country like Lebanon, where 80 percent of consumption depends on imports, everything relates to the dollar rate of exchange. The market rate fluctuates wildly, alarmingly, and the Central Bank has to intervene, sometimes several times a day. There are even days when the stock exchange closes at 10 am.

Economists continue to urge the termination of hostilities; the consequences of economic warfare are far more grievous than those of any military action. A fearful increase in prices is rampant against a background of destroyed factories, threatened closure, or bankruptcy of public and private establishments and corporations, workers dismissed, rife unemployment exceeding 30 percent, and Lebanese government domestic debts involving treasury bills and Central Bank outstandings amounting to 85 million Lebanese pounds.

The existence of illegal ports and harbors and collection by the various parties of taxes and customs dues has deprived the government of its earnings from such revenues that last year reached a minimal 300 million Lebanese pounds, which is nothing compared to revenues in previous years.

AL-ITTIHAD met with Victor Qasir, the minister of economy, trade, industry, and petroleum, whom it interviewed on the subject of the immeasurable trials and tribulations of the Lebanese economy.

Assessing the Position of Lebanon's Economy

[Question] How would you assess the position of Lebanon's economy at the present time? Are we at the brink of the catastrophe you warned about earlier?

[Answer] Economic conditions are extremely bad, but there is still a chance of avoiding a catastrophe. The problem today is one of political crisis: a crisis involving boundaries and a total disregard of our destiny. People have panicked. The high dollar rate -- or rather diminished value of the pound -- is having its impact. Any security agreement reached would, however, considerably alleviate the economic crisis.

The crisis is difficult and harsh. High prices rule the marketplace, social issues are becoming exacerbated, and we are unable to keep our feet in view of what is happening in the market. If we order our price control teams into action, goods disappear from the countries and the black market makes its appearance. Whenever we counter by injecting quantities of goods, our storehouses are voided. We mobilize our controllers, refer traders to trial, and destroy unfit goods, but all such action is not enough to reduce prices.

What is required is security, stability, and political harmony. Only these can help counteract high prices.

Pound Rate Decline

[Question] You have pointed out that high prices are the result of the declining price of the Lebanese pound. Is that decline solely to deteriorating security conditions or has our economy collapsed?

[Answer] It is only natural that after 11 years of war the economy should deteriorate. By the end of 1984 the dollar was pegged at 8 pounds. In 1985 it reached 16 to 17 pounds. Of course, the security situation has been very influential. The exchange rate will never go back to where it was in 1975, but it should hardly be expected to hit such a high as 25 pounds to the dollar, or ten times what it was before the war. That is catastrophic.

[Question] Have any practical steps or decisions been taken to help people to deal with the high cost of living?

[Answer] There are two commodities that are government subsidized: wheat and petroleum. Sugar is not subsidized but we do have reserves in stock. Any sale of that stock requires action by the council of ministers. However, it was agreed with the prime minister that about 10,000 tons from that stock be distributed to cooperatives at a fixed price of 4.5 pounds per kilogram to be retailed to consumers at 5 pounds. When traders heard that the sugar was coming onto the market, stocks that had, until then,

been secreted away suddenly appeared, and the price which had reached 7 to 18 pounds a kilogram dropped.

At the same time control activities are under way with controllers doing their job as far as possible and issuing citations where required.

[Question] Despite the arrangements you have made, there has been no effective outcome so far. Do you not believe that the government must help shoulder part of the burden the people are bearing?

[Answer] Many controllers are not doing their jobs. Others are unable to penetrate into certain areas. That is one aspect. On the other hand the government is incurring heavy losses. There is a black market and intolerable squandering, smuggling, and theft. Despite all that, the government has continued to pursue its policy of maintaining subsidies on wheat. A kilogram of wheat delivered to the flour mills at 47 piasters costs us 3 pounds at today's dollar rates. The mills sell flour at 70 piasters a kilogram. It sells on the black market at 3.5 to 4 pounds and is then passed on to livestock and pack animals or to smugglers. Smuggling and the black market are the problem. Again, there is the question of oil. Once subsidies were removed, losses declined, prior to increased dollar rates to 2 billion pounds. Diesel oil, fuel, and gas incurred losses, while gasoline covers its cost.

Fuel Subsidies

[Question] Losses continued in spite of subsidies on fuels being eliminated?

[Answer] We used to incur losses 8 billion, but now we are only losing 2 billion. Had the rate of exchange remained at 18 pounds to the dollar, and with declining oil prices, we might have had a surplus, but now that the rate has reached 25 pounds to the dollar we are back on the old merry-go-round and the losses continue.

[Question] Let us address a number of principal economic factors. Are there any external debts or domestic outstandings? What about treasury bills?

[Answer] Lebanon has no external debts. Domestic indebtedness in treasury bills and amounts outstanding to the Central Bank come to 58 billion pounds. If the situation continues unchanged those debts are going to increase and accrue substantially.

The average citizen is demanding services from the government, even at a loss. Payment of civil service salaries, retiree entitlements, and high cost of living allowance differentials to the public sector alone accounts for 3 billion liras.

[Question] But prices are also going up and everything is becoming much more expensive.

[Answer] I agree and the citizens are being very unfairly treated, yet how can the government sustain its burdens? It is in substantial and constant deficit. How can the deficit be covered? Nobody is paying taxes. The official and legal port is losing. It is paying salaries without earnings. Illegal ports stretch along our coastline. There are no customs, no incomes, or proceeds accruing to the government. That is the problem.

However, by using the instruments of law, exercising discipline and restoring to the government its incomes, everything can be rectified in due course. We have not reached total destruction yet, especially since we have no external debts.

Manipulation of Dollar Rates

[Question] How do you account for the daily, flagrant manipulation of the dollar rate on Beirut's market?

[Answer] It is said that there is a dollar "mafia," but in my view it is a matter of supply and demand, which is the basis of any liberal economy. When anyone seeks to purchase an amount in dollars can a bank turn down that request?

[Question] It is only a very few individuals who possess such vast amounts of dollars, not the people as a whole.

[Answer] There is a demand also by small scale depositors who have only \$100,000 or \$200,000. Together with the large dollar holders, they are able to build up the substantial amounts that influence the market.

[Question] Do you not believe that the Central Bank's daily intervention to curb dollar rate increases is part of the collusion since the intervention sets in motion a drain on its dollar deposits?

[Answer] Certainly it is a drain, but it is the Central Bank's duty, at times, to interfere in order to hold down foreign currency rates on the market. However, the bank has set aside a certain contingency reserve and has bought currency at all prices. When prices rise it sells and repurchases. Without such action the government would be unable to purchase wheat and oil, since the Wheat and Grain Bureau and the Petroleum Office need about 70 million pounds a year. How can this be financed? The Ministry of Finance requests the amount from the Central Bank in foreign exchange.

So, the bank has made purchases, transfers, and provisions and still holds some reserves.

Gold Reserves

[Question] Why have gold reserves not been used so far?

[Answer] That is government policy, but in my own private opinion I feel that a part of it could be utilized. As the old adage puts it, "a bright penny serves on a gloomy day." It could have been used to break the market price of the Lebanese pound. We consider the gold as backing as is the case in all parts of the world. In the United States and Europe gold is considered a commodity. The United States owes billions in debt. A country's capital is its sound economy and prosperity that enable a government to meet its expenses and protect its productive sectors. Gold is a commodity which could be used when necessary. Nowadays no European or American country maintains a gold backing. They all rely on sound economies and prosperity, not like us who are in a state of war and destruction.

[Question] As minister of industry you are aware of the state of the labour market. What is the government doing for manufacturers and labour?

[Answer] We have granted manufacturers an exemption from payment of customs dues on primary commodities which are not produced in Lebanon.

We have also confined government procurements to national industry. There are certain financial facilities the decisions concerning which are taken by the ministry of finance. We are also endeavoring to furnish financial assistance to factories and workshops damaged by war and the fighting. As for undamaged factories, they now have a chance to export since their prices are relatively low compared to those in Europe.

[Question] There is also the question of workers. After the latest cost of living increases, many establishments and workshops threatened to dismiss their workers. What are you doing about them?

[Answer] We are opposed to the dismissal of workers. But if a manufacturer cannot afford it, what can we do about that?

[Question] Manufacturers have increased the prices of commodities and products.

[Answer] There are insufficient Lebanese workers and any such dismissals will affect only foreign workers.

13291/12640
CSO: 4404/329

PORT AUTHORITY GIVES IMPORT FIGURES

Riyadh RIYADH DAILY in English 14 May 86 p 2

[Text]

RIYADH, May 13 — As many as 31 million tons of goods and commodities were imported by the Kingdom in 1985, of which 54 percent came through the Jeddah Islamic Port while 30 percent was imported through King Abdulaziz Port in Dammam.

The number of passengers who arrived at the Kingdom's ports during the same year reached 472,803.

Meanwhile, the ports registered higher employment rates during 1985, despite the economic recession, the ports authority annual report said.

The report attributed the decline in foreign trade in the Kingdom to the drop in demand by the private sector and stability in the growth rate of the agricultural sector.

The report said, the completion of a number of industrial projects have directly affected imports.

It said the port authority has set up a number of new measures to summarize administrative procedures and to upgrade efficiency. It noted the development of the marine transport processes and attributed the progress to the introduction of the container transport system.

The ports in Jubail, Jeddah and Dammam were provided with cranes, as well as sophisticated shipment and computer devices,

the reports added.

Regarding pollution control the report pointed out a higher level of proficiency achieved by the pollution control center in the Kingdom which could easily mobilize experts to encounter any emergency.

Regarding ships repair and maintenance services, the report said the ports in Dammam and Jeddah were provided with fully furnished marine workshops as well as training centers.

Meanwhile, 325 Saudi employees were appointed by the port authority during 1985. The Islamic port in Jeddah received 15 million tons of goods during the same period, the report added.

The development witnessed by Jeddah Islamic port included the opening of two sea platforms to enable it to receive livestock as well as frozen commodities.

The report said the ports authority is currently involved in widening the North Western part of the port so as to provide it with five deep anchorage docks.

King Fahd industrial port in Jubail is currently witnessing an increase in the number of petrochemical factories the report observed.

Regarding the ports in Yanbu and Jizan, the report noted development and progress.

ELECTRIFICATION PROGRESS REPORTED

Riyadh RIYADH DAILY in English 17 May 86 p 2

[Text]

RIYADH, May 16 — The General Organization for Electricity is currently celebrating its 10th anniversary. To mark the occasion Vice Governor of the General Organization for Electricity, Fehaid Fahd Al Sharif, released a report to the *Riyadh Daily*, outlining the achievements achieved by the organization over the past 10 years.

According to the report the organization has realized great success and succeeded in meeting all its established objectives. The General Organization for Electricity was established to undertake the responsibility for supplying power to all parts of the Kingdom in the shortest possible time in accordance with a specific plan set up by the state.

In order to carry out its duties, the organization was awarded wide ranging authority and was provided with all necessary funds to manage already existing power projects and establish new projects as required.

The report mentioned that, since its establishment, the corporation has conducted comprehensive studies in the field of power services in the Kingdom and said that the studies proved the effectiveness of central projects management due to the wide areas of the Kingdom. The report

outlined the central projects, which were implemented by the corporation as follows:

☐ **Asair Central Power Project:** This project consists of nine diesel units with a total capacity of 90 megawatts. The project, which covers 480 villages, was implemented six-years ago at a total cost of SR632 million.

☐ **Baha Central Power Project:** This includes seven diesel units with a capacity of 60 megawatts and covers 420 villages. It was completed six-years ago at a total cost of SR607 million.

☐ **Jizan Central Power Project:** It includes six diesel units with a total capacity of 42 megawatts. This project which was implemented six-years ago at a total cost of SR332 million covers 66 towns and villages.

☐ **Kharj Central Power Project:** It has two thermal turbines with a total capacity of 40 megawatts and serves 9,000 subscribers. The total cost of the project was SR300 million.

☐ **Najran Central Power Project:** It has five thermal turbine units with a capacity of 118 megawatts. This project, which cost SR867 million, covers 82 towns and villages, and was inaugurated by Prince Naif bin Abdulaziz on March 10.

☐ **Qassim Central Power Project:** It includes nine thermal tur-

bine units with a total capacity of 600 megawatt. This project covers 600 towns and villages and its cost is estimated at SR3 billion.

☐ **Hail Central Power Project:** It has five thermal turbine units with a total capacity of 340 megawatts. This project which feeds about 450 villages and towns is in its final stages while its cost amounts to over SR2 billion.

☐ **Jouf Central Power Project:** This project of five thermal turbine units with a capacity of 125 megawatts is scheduled to serve 11,600 subscribers. The total cost of this project is SR925 million.

The reports also outlined projects under construction, study or design as follows:

☐ **Tabuk Central Power Project:** This project which is currently under construction is scheduled to serve 31 villages by the end of its first phase. It includes three thermal turbine units with a total capacity of 16.5 megawatts. The first phase is scheduled to be completed early next year.

☐ **Wadi Dawasir Power Project:** Implementation of this project began in 1984 and is expected to be completed next year. It is designed to provide power services to 140 towns and villages, while its cost is estimated at SR885 million.

☐ **Fifa Central Power Project:** It is currently under construction

and is expected to be completed within four months. The project which will cover 100 villages with 16,000 subscribers cost SR525 million.

☐ **Yanbual Bahr and Yanbual Nakhl Network Project:** This project is aimed at transferring electric power from Yanbual Bahr to Yanbual Nakhl and its surrounding areas. The first phase of this project is currently under construction while the total cost of the project is estimated at about SR 250 million.

☐ **South Taif Electricity Project:** It is currently under study and implementation is expected to begin upon allotment of necessary funds. This project will be carried out in two phases, over a period of seven years. The first phase includes establishment of a generating station with a total capacity of 140 megawatts, while the second phase includes establishment of another station with a capacity of 57 megawatts. The number of the subscribers it will serve is expected to reach 40,500.

☐ **Qurayyat Power Project:** This project, which is currently under study, is aimed at providing power services to 12 villages with 9,000 subscribers. It includes the establishment of a generating station at Qurayyat town. This three phase project is estimated to cost about SR350 million.

☐ **Al-Mahani Power Project:** It is currently under design and is scheduled to cover 21 villages and hamlets in Al-Mahani area, North of Taif.

☐ **Tabarjal Power Station Expansion Project:** This project

which is under designing is aimed at expanding the existing power station to produce additional five megawatts.

According to the report the organization has also adopted a program to lend some villages and hamlets generators to provide them with the required power services in a temporary manner till provision of permanent service either through the central power projects or rural power projects.

These generators can be borrowed by any village or hamlet whose inhabitants are ready and able to construct the necessary power extensions in accordance with safety standards.

More than 800 villages and hamlets have already made use of the service.

CHAMBER OF COMMERCE URGES GREATER PRIVATE INVESTMENT

Riyadh RIYADH DAILY in English 18 May 86 p 2

[Article by Othman Salih al-Amir]

[Text]

RIYADH, May 17 — To conceive an idea on the chambers of commerce federation's role in enhancing the development process, it is essential to gain an insight into responsibilities assigned to the chambers in the Fourth Five-Year Development Plan, a spokesman of the Riyadh Chamber of Commerce and Industry told the *Riyadh Daily*.

A report issued by the chamber here outlined the federation's responsibilities in the development strategy along with difficulties which the chamber aims to overcome.

One of the major goals of the Fourth Development Plan is the diversification of the economic base, Salih Al-Teaimi, secretary general of the Riyadh chamber said. He stressed the necessity to boost activities in the industrial and non-petroleum fields.

He urged the private sector to take the initiative at investment in the processing industry field.

He described the privatization as a sign of the state's recognition for the importance of the private sector.

The strategy of the current development plan attempts to change the trend of industrial production towards medium as well as major projects, he said.

The plan's strategy encourages the establishment of joint venture companies to invest in major projects which have better economic potentials, he pointed out.

In order to launch major projects and shoulder development burdens, the strategy of the Fourth Development Plan focused on collective capitals for the financing of projects, he added.

The strategy stressed the necessity to seek out means for the establishment of bourses to circulate company shares and to bolster the investment process.

The Fourth Five-Year Development Plan is concerned with seating opportunities for industrial investment, instead of the current businessmen's activity in the real estate and trade fields.

The upcoming stage urges commercial banks to raise financial support for development projects instead of accumulating financing on importation, a report of the fourth development plan said.

Commercial banks must be

given the opportunity to contribute in the establishment of profitable projects. Such a move will help in boosting investment process, the report said calling for an amendment of the commercial banks regulations to enable them contribute more effectively.

Since governmental investment in building and construction fields is expected to fall, it is therefore imperative to draw attention of the private sector to invest in infrastructure as well as the utilities fields, the report said.

Efforts of the private sector represented in the chambers federation is quite evident in developing Saudi manpower and upgrading skills through the past 15 years, the report added.

It highlighted the significance of training and the competition between private and government sectors in attracting skilled trained labor force. Great attention was being paid by federation in dealing with trends in the current economic policy including, the rationalization of subsidies and reinforcing of the ongoing financial stability.

The report discussed difficulties impeding businessmen from widening their scope of participation in investment field.

EASTERN REGION WATER PROJECTS DESCRIBED

Riyadh RIYADH DAILY in English 17 May 86 p 2

[Text]

RIYADH, May 16 — The total cost of projects implemented by the Water and Sewage Department in the Eastern region in Dammam, Khobar, Hassa, Qateef, Jubail and the neighboring villages, touched SR1.1 billion, Director-General of Water and Sewage Department here Abdullah Al-Babteen said.

There was a close connection between urban and housing growth and the needs of that growth, Babteen observed.

The government's successive development plans have concentrated on the infrastructure and installations projects through comprehensive planning for the expansion of towns as well as villages, he said. Within the framework of the policy, water and sewage and drainage projects throughout the Kingdom have been given great attention and priority, he added.

Water and sewage networks implemented in the region not only exceed current requirements but also allow for future expansion, he added.

Approximately 2,700 kilometers of water networks had been implemented in the Eastern region in addition to 500 more under construction, Babteen added.

Speaking to *Riyadh Daily*, he pointed out that there were 2,500 kilometers of drainage network

lines as well as 23 water purification plants in the region.

Approximately 500,000 cubic meters of water is daily consumed in the main parts of the region, he said.

Regarding the new projects which have recently been approved, he said they would cover a number of villages and towns in the region. He pointed out a project, worth SR75.7 million in North West Dammam and a similar project at the Southern and Northern part of the city at a total cost of SR86.7 million.

Comprehensive planning is being devoted to the new projects so as to facilitate joining Dammam areas including, Dammam, Khobar and Dhahran as well as the regions between the three cities, Babteen added.

He said, the new projects in Dammam included two water projects at a total cost of over SR10 million, in addition to integrated operation and maintenance projects worth SR89 million.

The new projects extend to Khobar where there was a SR93 million project at Hizam Al-Zahabi (golden belt) area for the drainage of rain water. Projects which will be implemented in line with the directives from the council of ministers will include Qateef and its neighboring villages.

Speaking in this connection, he

indicated a number of projects including a water reservoir project worth SR17 million with a capacity of 2,000 cubic meters as well as an operation and maintenance project worth SR60.7 million.

Regarding the water and sewage projects in Hofuf, Mubarak and Hassa, Babteen pointed out the establishment of two plants for sewage and water pumping in Hofuf at a total cost of 66.8 million to provide services for citizens in Manqoor, Mubarak Hofuf and Al-Yehia.

He also indicated a water pumping station in Hassa worth SR37 million as well as a water reservoirs in Horad at a capacity of 114,000 cubic meter. Work is currently underway on the implementation of sewage operation and maintenance projects worth SR69 million in Hassa, the director said. He indicated an integrated project for drinking water in Abqeeq at a total cost of SR63.9 million.

In comparison with the plans set for the water and sewage department during 1985-1986, the assessment of the plans achievements seen to go beyond the goals sought, he said.

He hailed efforts of Prince Mohammad bin Fahd, Governor of the Eastern region, towards the development of services in general and water and sewage requirements in particular.

WATER PROJECTS IN TA'IF OUTLINED

Riyadh RIYADH DAILY in English 18 May 86 p 2

[Article by Fahd al-Sulaimani]

[Text]

TAIF, May 17 — Intensive work is currently underway to convey desalinated water through pipelines from the Red Sea to both Makkah and Taif, an official source said.

Dr. Abdullah Al Hussein, deputy governor of the general establishment of desalination for operation and maintenance affairs, told *Riyadh Daily* that work on this gigantic project which cost SR2.5 billion would be finished within eight months from now.

"The 15-million gallon-per-day capacity station will satisfy Taif's needs of potable water, especially in summer season," he said.

The official said that the water desalination pump at Al-Shuaiba, some 110 kilometer from Jeddah, represents the heart of this project with the dual pipeline as its lungs.

"Two parallel pipes with a total length of 96.3 kilometers are being laid from the first pumping station near the desalination station up to four kilometers from Makkah-Taif highway," he added.

Dr. Hussein pointed that four

huge reservoirs, with 50,000 meters capacity each, were constructed in that position to provide Makkah with some of its needs.

The second pumping station, established nearby, as well as a single 25.3 meter-long pipeline which will begin from the Jeddah-Taif highway for non-Muslims will provide Taif with the rest of its water demands, he stated.

This pipe will follow the Makkah-Taif highway until it reaches the third pumping station southwards of the police inspection post, he added. "From there begins pumping to Taif through Bank valley and for a 2.5 kilometer distance to reach the fourth and last pumping station," he explained.

"Here begins the gigantic tunnel of Al-Kara area where water is repumped from the fourth station," he added.

Taif's need of potable water will be stocked in four 3.25 cubic meter capacity reservoirs in Al-Khalidia suburb of Taif town as well as a water treatment building.

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CSO: 4400/192

THREE NEW DAMS ACROSS EUPHRATES DESCRIBED

Al-Shariqah AL-KHALIJ in Arabic 14 Mar 86 p 9

[Text] "Al-Ba'th" dam across the Euphrates, one of a series of hydrological works that Syria is constructing on its water sources, is expected to go into commission some time this month. The dam was constructed by the General Authority for Land Reclamation, a national corporation affiliated to the Syrian Ministry of Irrigation, which has replaced the General Euphrates Dam Authority having assumed all roles and obligations.

The contract for construction of the dam was signed with the Soviet Union in 1982. Duration of the contract was 6 years, but the Syrian party to the agreement requested that it be reduced to 4 years, since the contract only covered designing the dam, while the Syrian party would be carrying out construction using its own national professionals.

Cost of the dam is about 700 million Syrian pounds. The dam is designed to ensure constant water supplies along the course of the river running through Syria, reducing fluctuations in Euphrates water levels following utilization of the Greater Euphrates dam.

It also designed to generate additional electric power for Syria of about 375,000,000 kwh per annum, or about 1,000,000 kwh a day.

Following stoppage of the Euphrates flow for a second time prior to commencing work on al-Ba'th dam, the lake upstream of the dam is expected to extend for about 25 kms, with a storage capacity of 90 million cubic meters. The moving volume of water is expected to be 25 million cubic meters a day.

About 90 percent of the construction work has now been completed, and 60 percent of hydraulic and hydroelectric machinery and equipment has been installed.

Elsewhere the heightening of the Euphrates dam is expected to begin in the first quarter of 1987. A contract for design preparation has been signed with the Soviet Union. The Syrian Government was faced with two options, either to increase the height of the existing dam to 20 additional meters, or heightening it to 6 meters and initiating work on the Tishrin dam.

After completing technical and economic studies of the two options, the government decided to heighten the dam, thence contacting the Soviet party and signing the technical design contract for the project, as well as contracts for procurement of all machinery and equipment required.

The third project to be carried out on the Euphrates is the Tishrin dam located at the tip of Lake al-Asad. It is essentially designed to increase generation of electric power to about 1 billion kwh. The contract for design work was signed recently with the Soviet Union. Construction is expected to take about 36 months. The minister of irrigation has declared that linking the Euphrates and al-Ba'th dams will enable practical and targeted control of the Euphrates' waters. At peak, all turbines will operate at full capacity, after which the Euphrates flow will be shut off by the Euphrates dam, enabling water to accumulate at al-Ba'th dam. Later still, the waters will be allowed to flow normally for 24 hours. This means that regular energy supplies will be available throughout the day in addition to regulating water flow along the river course.

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CSO: 4404/329

VALUE OF EXPATRIATE MANPOWER EXAMINED

Al-Shariqah AL-KHALIJ in Arabic 7 Mar 86 p 10

[Article: "Workshop on Remittances by Syrian Expatriates"]

[Text] Two workshops were held during the symposium on financial markets and project financing recently organized by the Arab Investment Guarantee Agency in collaboration with Syria's State Planning Commission. The first considered the investment environment in Syria, while the second addressed the issue of remittances by Syrian expatriates, or the flow of funds into Syria in the form of remittances.

The following is an analysis of the second workshop's proceedings.

Discussion in the workshop revolved around guarantees that could be furnished for funds fighting their way into Syria. Generally speaking the guarantees referred to in this context relate to possibilities of intervention by the government or taxation and exchange control authorities, rather than those that ensure utilization of such funds in productive investment sectors and diverting them away from the consumer sectors and nonproductive investment such as speculation or tourism ventures. While both types of guarantees may be comparable, differences do exist; the most important being that such remittances are an expression of a relationship between expatriates and their home country and kinfolk. They may be used to meet a special, or consumer need of the expatriate's family. In other words, funds used to build a home for the expatriate in the old country cannot be considered in the same light as funds utilized by Arab, local, or foreign investments in real estate. However, if the matter is regarded in the abstract and considered in both cases as being a given money supply being used in different ways in the market, we should find the results to be the same whether sound or otherwise, depending on the method of utilization. The fact still remains however that expatriates' funds must be handled in a manner facilitating full links with the home country and assuring expatriates some benefit from their remittances.

Two trends appeared in the workshop. The first was of the opinion that Syrian expatriates' remittances, and consequently export of Syrian

manpower, is an important source of national income that can be relied upon to help improve living conditions and orient them to development, even if such development means evolving consumption patterns by introducing new directions.

The other point of view was that the export of Syrian manpower has created an imbalance in the natural economy which is no help in structuring a sound and practical economy. Therefore the role of such remittances should not be overrated if it is going to lead us to devoting ourselves to the principle of exporting manpower.

Manpower exportation seems somehow to create unofficial bonds between two countries, manpower importer and exporter. A move was entertained in the workshop to formalize such links and establish them on clear cut agreements to ensure exporting countries greater benefits to compensate for loss of human resources on the training of which much had been spent. Hence, remittances by expatriates from manpower importing to exporter countries do not constitute a favor, gift, or grant from the importers, but a meagre part of the rights to which a country exporting its human resources is entitled. However much the volume of remittances, it is but a part of the service rendered by the expatriate to the host country.

The matter can be viewed from the angle of an expatriate's wages. Such an expatriate is, as can only naturally be expected, subjected to a form of "spoliation" based on the enormous diversity between the value of worker production in the host country and wages earned; the major part is spent in the host country and any remaining surplus is remitted to the home country. To sum up, the manpower exporting country finds itself in the position of worker vis-a-vis employer, which in this case is the manpower importing country.

Dr Muhammad Sa'id al-Nabulsi, workshop moderator, referred to other risks incurred by relying on the export of manpower, as may be reflected in the relationship established between the manpower exporting country's national economy and other labor importing countries. Examples abound. Relations between two countries involved can sour as a result of the importing country threatening to deport and repatriate manpower as was the case with Libya when it deported Tunisian and Egyptian workers.

Dr 'Arif Dalilah told the workshop that it is too late for any agreement between manpower exporting and importing countries in view of the economic conditions suffered by the latter.

He pointed out that remittances had never at any time succored the economy of any Arab manpower exporting countries. Indeed some of them, although bragging about their experience, were on the brink of economic crisis no less disastrous than the Kuwati Suq al-Manakh collapse.

The workshop's conclusions may be summarized in the following:

Trend I

- Export of manpower acts as a source of cash inflows and foreign exchange.
- It assists in improving the balance of payments position and stabilizes exchange rates.
- Such remittances need safeguards and should enjoy special facilities and exceptions.

Trend II

- The export of manpower has created an imbalance in national economies and should not be unduly pursued.
- There is a need for agreements between importing and exporting countries to ensure greater equity for the latter.
- The danger of tensions between countries as a result of positions taken vis-a-vis exported manpower.
- A careful assessment must be made of the use of remittances.
- There is always the danger of a country's economic difficulties impacting on its manpower suppliers.

[Box on p 10]

According to the civil status registry, the population of Syria through 1984 totalled 11,528,098 of whom 5,765,557 were males and 5,762,541 females. The inhabitants of Damascus, according to the same source, numbered 1,077,581, those of Malab 962,914, Hims 474,441, and Hamah 342,887.

As for the other towns with populations exceeding 100,000 each:
al-Ladhiqiyah 188,299; Dayr al-Zawr 177,718, al Raqah 130,358; Dar'a 128,525, Idlib 108,598, and al-Suwayda' 104,241.

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CSO: 4404/329

ARTICLE DISCUSSES TROOP WITHDRAWAL DILEMMA

New Delhi INDIA TODAY in English 31 May 86 p 113

[Article by Karan Thapar: "Search for a solution"]

[Text]

THE AFGHANISTAN problem may be finally approaching a solution, judging by the optimism on the eve of the UN-sponsored talks in Geneva on the possible pull-out of Soviet troops from Afghanistan. Already, the seventh round of the Geneva talks which commenced last fortnight is being spoken of as being the last.

It is now six years since the night in December 1979 when the Russian army crossed the undefended borders of Afghanistan and toppled the Government that purportedly invited it in. Since then, the Afghan crisis has become one of the most unsavoury episodes in international affairs. Nearly four-and-a-half million refugees, constituting some one-fourth of Afghanistan's population, have sought shelter in neighbouring Pakistan and Iran, whilst, according to at least one estimate, perhaps as many as 500,000 have died within the beleaguered country's borders. Afghanistan itself is divided by civil war, its major cities controlled by the Soviet-backed 'People's Democratic' regime whilst the vast majority of the countryside is in the equally unsettling grip of a fractured and unrepresentative Mujahideen, themselves influenced by outside agencies.

Periodically, efforts have been made by the indefatigable Diego Cordovez of the United Nations to find a solution that

will facilitate the return of the Soviet Army and the restoration of peace and stability in Afghanistan. To this end he has coordinated indirect talks between the Afghan Government, who also represents the Soviet Union's interests, and that of Pakistan, which speaks for both the Mujahideen and their supporters, most particularly the United States.

From its outset, the United Nations' peace process set itself the task of securing a package deal comprising four separate but inter-related agreements. Two of these, between the governments of Afghanistan and Pakistan, focus on the voluntary return of the Afghan refugees and the cessation of all interference or intervention in the internal affairs of Afghanistan from Pakistani territory. The third is a set of guarantees from the two super powers, while the fourth will be the interlinking document determining the date and timetable of the proposed Soviet withdrawal as well as the manner and timing of the implementation of the other three documents.

By the end of 1985 most of this package had been agreed to. Both super powers were also willing to act as guarantors. All that was left was agreement on the fourth instrument. So the issue was reduced to whether the Afghans would table an acceptable date and timetable for the withdrawal of Soviet troops and if this would be adhered to.

It was at this juncture that Soviet leader Mikhail Gorbachev publicly declared his commitment to a Soviet withdrawal "in the nearest possible time". He then went a step further and re-

scinded his stand on direct talks. Instead Cordovez was given a draft of the Soviet withdrawal plan and allowed to show it to the Pakistanis. As a result, the technical deadlock was broken.

Thus far the complex facts suggest a breakthrough, and one of significant proportions. Both sides have agreed to negotiate the crucial withdrawal instrument on conditions initially stipulated by the Pakistanis and since accepted by the Russians. But now the question really is: will the talks produce a mutually acceptable Soviet withdrawal and will it be sufficient for a solution?

Even if Gorbachev does offer a credi-

ble and mutually acceptable schedule of withdrawal, the present Afghan regime will still be there even without Karmal and the question of its acceptability to the Pakistanis and the US will remain—until either the Russians agree to get rid of the regime (which they won't) or until the Americans accept they have to live with it (which they show no signs of). At this more fundamental level, all that Cordovez's latest efforts can hope to achieve is to strip the issue of its diplomatic wrapping down to its essential conundrum, which is: Has the time come for the Americans to let the Russians off the Afghan hook?

As yet there are precious few indications that Washington has realised that the Afghan ball could soon be in its court. When it is, the American refusal to countenance the peace

terms on offer could seem considerably less moral and righteous than it presently does. For a refusal to accept a Soviet withdrawal then would suggest a determination to inflict further suffering on the Afghans themselves simply because the deal does not accord with the Reagan Administration's

new muscular view of the world.

The Soviets, meanwhile, have begun a process of modification of the Afghan regime to advance its chances of independent survival once they withdraw, thus increasing its prospects of future acceptability. They have sought to broaden the regime's base by inducting non-communist party members, increasing the involvement of the clergy and adopting softer policies, particularly towards the alienated border tribes. The removal of Babrak Karmal is part of this pattern. Should this process be pursued to the extent of involving some of the less fundamentalist Mujahideen factions, it might not only provide an Afghan government that will survive a Russian withdrawal, but one that could also prove tempting to the Pakistanis. But will the US accept it? No doubt such a government will not be to their liking—as it won't be to the Soviet Union's full satisfaction—but that could be the cost they both have to pay for a lasting solution. And it could prove acceptable to the Afghan people themselves. Maybe that is what ought to really count.

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CSO: 4600/353

REPORTAGE ON U.S.-INDIAN ANTITERRORIST COOPERATION

Cooperation Increases

Bombay THE TIMES OF INDIA in English 2 May 86 p 1

[Article by J. N. Parimoo]

[Text]

WASHINGTON, May 1.

CO-OPERATION between the United States and India in combating Sikh terrorism is increasing. According to one senior administration official, "The U.S. has found common ground with India in combating Sikh terrorism."

"There have been some activities in the U.S. that had to do with Sikh terrorism. Sikh terrorism has ipso facto become an international issue. The degree of co-operation between the U.S. and India has, therefore, increased considerably and we share information. The dialogue on this issue is

now much warmer, more positive and more candid," said this official.

Inquiries in official circles here reveal that the U.S. has taken up with the Pakistan government the issue of Sikh terrorists receiving support from Pakistan. But the Pakistan has repudiated this.

American official sources say they have no evidence of any 'Pakistani state support' to Sikh terrorism, though they admit Sikh terrorists may be receiving 'support from Pakistan'.

They are thus making the fine distinction that whatever support the terrorists are receiving from Pakistan is not state-sponsored and that it may be coming from sympathetic Pakistani

public.

The distinction is obviously superficial and made with the explicit purpose of protecting Pakistan's position, because in today's Pakistan, training camps for Sikh terrorists cannot be organised without the connivance of the government.

In this context, American officials have no convincing answer to the question whether India should not follow the American example and bomb Pakistani camps where Sikh terrorists are trained or to bomb all other Pakistani centres from where the Sikh militants are receiving support.

Differences in UN

Madras THE HINDU in English 2 May 86 p 9

[Article by R. Chakrapani]

[Text]

WASHINGTON, May 1.

Despite the sharp differences between India and the United States over the Libyan issue, American officials take the view that improvement in bilateral relations continues to remain on course. They think that third country issues need not retard this positive trend in the relations.

Differences over Libya erupted in the special session of the Security Council at which the Ex-

ternal Affairs Minister, Mr. B. R. Bhagat, voiced the indignation of the nonaligned group over the April 14 aerial attack made by the U.S. against Libya. This gave rise to some verbal exchanges between the U.S. chief delegate, Mr. Vernon Walters, and Mr. Bhagat at the Council table.

Mr. Walters, who criticised several third world countries for their support to Libya which the U.S. perceives as the hotbed of international terrorism, referred to Mr. Bhagat's speech

and commented wryly that a more "bizarre" defence of Libya was never heard in the Council chamber before. He accused the nonaligned group of being always "aligned" in their opposition to the U.S. Mr. Bhagat took issue with him promptly as is the custom in U.S. fora.

U.S. sources say that this incident need not affect bilateral relations which have steadily recorded an improvement. According to them, on such occasions as discussions on international platforms, tables are thumped by both sides and this is all taken as part of a diplomatic exercise.

Dialogue on terrorism: But U.S. experts point out that some kind of a dialogue has been taking place between New Delhi and Washington on the broader question of international terrorism. The U.S. special envoy in charge of terrorism, Mr. Oakley, in the course of a long tour, halted at New Delhi to exchange views on terrorism. Earlier, when the Indian Intelligence authorities were in Washington to discuss security arrangements for the Prime Minister, Mr. Rajiv Gandhi's visit to the U.S., the dialogue spilled over to the issue of international terrorism.

The U.S. viewed the issue of Sikh extremists as an internal matter but later when certain aspects came to light about the activities of extremists abroad, it saw it as an international problem. But informed sources here say that the Indian authorities, beyond exchange of information, have not sought any sophisticated tools such as those used to deal with the problem of terrorism. The U.S. leaders from the President, Mr. Reagan, downwards have claimed that nearly 125 acts of terrorism against Americans had

been detected in time and neutralised.

U.S. sources say that diplomatic dealings with India on the issue of the broader question of international terrorism is a positive development.

Pakistan's link: As regards the Islamabad link with Sikh extremists, an official source which did not want to be identified, said such information as the U.S. had did not reveal the existence of any training camp in Pakistan for the extremists. The problem arises in this regard because of geography.

On the encouragement to terrorists allegedly provided by the Libyan leader, Col. Qadhafi, the U.S. authorities say that these actions were directed not only at Americans but also against other regimes like the moderate Arab governments in Riyadh, Cairo and elsewhere. A white paper brought out by the State Department alleged that the Abu Nidal group had staged attacks in over 20 countries on three continents and operated throughout West Asia. The U.S. describes the group as among the "most dangerous" of the West Asian terrorist organisations.

One U.S. source, quoting intelligence information, said that the Abu Nidal group had some links with minority elements in India too. While not being categorical about this link, these sources say that the Palestine Liberation Organisation's Mission at New Delhi could be a target of this group. Abu Nidal, who is accused of playing leadership role in the Rome and Vienna airport attacks, is seen not only as hostile to Americans but also to the PLO chief, Mr. Arafat.

Communist Paper on Walters

New Delhi PATRIOT in English 8 May 86 p 7

[Text]

General Vernon Walters is a man from the shadowy underworld of diplomacy, the area where espionage and shady deals predominate. He is an experienced diplomat but whether his experience has any relevance to the public diplomacy at the UN is open to question. The General, who of course has extremely limited experience of commanding troops, is angry with India. He considers India's Foreign Minister to be "naive" and believes that a magician is required to "understand" the position of India.

There is no reason for the General to lose his temper. India is even more opposed to terrorism than the United States for it has been a major victim of terrorism. What New Delhi fails to understand is the double standard which the United States and the West have adopted. If terrorism is bad,

then all those who sponsor, finance, train and equip terrorists and potential terrorists should be held guilty; there cannot be the invidious distinction which the West draws between our terrorists and their terrorists. If Arab terrorists are bad, so are the 'Khalistan' terrorists. India has sought American and British cooperation against terrorism but without any success.

The American position is clear. There is nothing in American law which prevents an individual or group from training people in sophisticated methods of guerilla warfare; the use of arms, explosives and other methods of destruction which can be used by terrorists. Mr. Camper was certainly not unaware why a certain group of fanatics had sought his expertise. He was willing to train them even when he

knew that the aim was to engage in terrorist activities.

It would be wrong to believe that the law enforcing agencies of the United States are not in the know of what Camper and his ilk are engaged in. The Government of India has drawn the attention of Washington to America's role in sponsoring terrorism in India but without any effect. The United State's view is that it is responsible for any criminal act committed in the country; if an Indian is killed in the country it will be duty bound to act. The Reagan administration has, therefore, not taken any action against these potential terrorists. Canada has so far not found the criminals guilty of blowing up the Kanishka and the United Kingdom, in spite of the inflammatory statements of some British citizens and the evidence provided by India on the terrorist connection of some residents in the UK, has not made any moves to curb their activity.

The Western case is that India has not produced sufficient evidence which will hold up in a court of law. Has anybody produced sufficient evidence to link Ghadaffi or

for that matter even Abu Nidal with terrorist activities? The real problem with terrorism is that there is seldom sufficient evidence to link the so-called masterminds to the crime. The actual perpetrators cannot be caught and punished. India can only find evidence of the external links of the terrorists if Washington and London cooperate, but they are not interested in combating terrorism on a global scale. And there is a very simple reason for this refusal to cooperate. The United States is a major sponsor of terrorism. It has been deeply involved in destabilising third world countries. Terrorists are trained and mercenaries can be hired by advertising in newspapers.

The warning issued by Walters cannot be ignored. It is an attempt at blackmail. The pressure will increase, more terrorist actions will be launched, the destabilisation effort will be pursued with even greater determination. Reagan's master terrorist has to be taken seriously; if there is any increase in terrorist activity, we will immediately know the guilty men.

/9274

CSO: 5650/0173

INDIA

DELHI RENEWS BAN ON PUNJAB EXTREMIST GROUPS

New Delhi PATRIOT in English 2 May 86 p 1

[Text]

The Dal Khalsa and the National Council of Khalistan, two Sikh extremist groups, were on Thursday declared unlawful organisations and banned with immediate effect for further two years. The two organisations were banned in 1984 and the order expired yesterday, reports UNI.

Through notifications issued by the Home Ministry under the Unlawful Activities (Prevention) Act, 1967, the two organisations were charged with preaching and encouraging secessionist and violent activities aimed at disrupting the territorial integrity of India.

The Dal Khalsa has declared the establishment of a completely autonomous 'Khalsa state' as its main ob-

jective and for this purpose has been preaching secession and disruption of the territorial integrity of India, the notification said.

The office-bearers and activists of the Dal Khalsa have extended support to the creation of 'Khalistan' by exhorting Sikhs through the circulation of posters and press notes to indulge in such activities as the burning of the national flag, it said.

The Dal Khalsa had also finalised a 'future course of action' to achieve the objective of 'Khalsa raj', it added.

Dal Khalsa activists have also been arming themselves to achieve the goal.

The organisation's activists have reportedly formed a 'Khalistan'

government-in-exile and allocated portfolios to its members.

The National Council of Khalistan, the notification said, had through the declaration of its secretary-general Balbir Singh Sandhu, proclaimed as its objective the establishment of 'Khalistan' and been encouraging the secessionist and violent activities of the 'Dal Khalsa'.

Dr Jagjit Singh Chauhan, the self-styled 'president' of 'Khalistan', had extended threats through foreign media to late Prime Minister Indira Gandhi and other national leaders and instigated Sikh extremists to assassinate her by announcing huge sums of money for the purpose.

The council had announced the formation of a five-member committee to carry on the work of the 'Khalistan government' and also the appointment of 'ambassadors' and other 'consular officers' who had, through information furnished to newspapers, justified the demand for a separate sovereign state, and urged its followers to burn the Indian national flag and the Constitution and hoist the 'Khalistan flag'.

The council office-bearers and activists abroad indulged in writing threatening letters to leaders in India and had undertaken the printing and distribution of so-called currency notes on behalf of the 'republic of Khalistan'. Its activists in India are also indulging in pro-Khalistan and anti-Hindu propaganda, the notification added.

/9274

CSO: 5650/0172

ARTICLE EXAMINES REGIME'S PROBLEMS, DIFFICULTIES TO COME

Paris POLITIQUE INTERNATIONALE in French Apr 86 pp 167-178

[Article by Hushang Nahavandi: "After Khomeyni"]

[Text] On 16 January 1979, after a year of troubles during which the hesitations, weaknesses and errors of an irresolute power only hastened the conversion of the majority into a government opposition party, Shah Mohammed Reza Pahlavi left Iran once and for all.

During the night of 11-12 February, Ayatollah Ruhollah Khomeyni and his supporters officially took over the government of the country. Between these two dates there was a period of total confusion, typical perhaps of all tragic ends of government.

During these first months of 1986, time seems no longer to hang in the balance. The facts are too well known, indefensible and completely negative. From now on one need only observe the strengths and weaknesses of the present regime to better discern future perspectives.

Illusions and Realities

It will have taken more than seven years and the destruction of a nation in order for a number of illusions about this revolution, at times deliberately fostered, to begin at last to disappear:

1) The "free society" and the regime honoring the rights of man that was promised by this society have not been achieved. A totalitarianism theocratic in appearance, backed up by a most fearsome police terrorism apparatus, has been established in Iran. Compared with this pitiless regime, the at times authoritarian government it has replaced, and whose methods had been so severely criticized, could pass for liberal, affable, even lax!

2) Authentic nonalignment, symbolized by the slogan "Neither East Nor West," has progressively been interpreted as an alignment based on the strategic and international options of the Soviet Union. There can be no more doubt today that the operation of "suspending" Tudeh--the Iranian communist party--launched in February 1983, was first and foremost designed to deceive public opinion abroad and to accredit the position that the government had taken an "anti-Soviet turn." In the West, those who had let themselves be fooled by this operation, sometimes voluntarily, are now singing a different tune and even going so far as to make honorable amends.

It seems in fact that, despite the massive presence and infiltration of orthodox communist elements into the machinery of government and among the ruling echelons of the regime, Moscow looks more particularly to religious with a revolutionary background (often "educated" in terrorist training camps or trained in the East) in establishing its influence. The model of Soviet infiltration into Iran presents the originality of calling upon oblique methods that escape the cartesian analysis of certain observers. It reminds one of the use of liberation theology in Latin America, however. The Islamic Republic of Iran is becoming one of the chief bases for international terrorism. Numerous training centers are welcome to exist there and are installed with great ostentation. The regime subscribes its logistic and political support to subversive and terrorist movements throughout the world. By acting in this way it approaches the "Libyan model" and affords--as if there were any need--a new proof of the direction of its "nonalignment."

Thus detached since January 1979 from its privileged alliances with the free world, Iran, blessed with a determinative strategic position in the region, has progressively come to form an integral part of the enemy camp. This tendency manifests itself in the use of "Islamic integrism" as the principal vector of destabilization in Muslim nations with ties to the West.

These new options are not exempt from presenting a variety of problems to the Iranian government:

1) The regime has lost the relatively strong popular following it enjoyed in the beginning.

Numerous reasons explain this disaffection: the ruin of the economy, unemployment, inflation, the corruption and the debauchery that reign among the powerful government officials, the terrorism and the suppression of fundamental freedoms, not to mention the interminable war with Iraq.

Of course, for the government now established in Tehran, this conflict is an element of security, a "blessed war." It allows those who rule to justify the very difficult food situation and to maintain the rationing of commodities that are essential, all of which constitutes at the same time an effective instrument of control over the populace. It also justifies the retention of the armed forces on the borders while the operation of strengthening and officering the militias--the Guardians of the Revolution--effectively aided and abetted by several Eastern block countries, is brought to completion. Thus in due time the two forces can be unified, causing the disappearance as such, of an Iranian army whose nationalist traditions still inspire distrust. Be that as it may, the war is becoming less and less popular; weariness is gaining ground, and it is no doubt the same in Iraq. But the regime of the mullahs cannot and will not put an end to the confrontations. Despite the desperate nature of the crisis, this dilemma has not yet been exploited by the opponents of Ayatollah Khomeyni.

2) More than seven years after its proclamation of inauguration, the Islamic Republic has not been able to present the slightest design for a society.

The initial references to the need for a return to the dawn of Islam are now rarely heard and appear to be uttered purely for form's sake. Apart from a few naive souls or uneducated fanatics, no one apparently believes in the concrete realization of such a hypothesis.

The claims of a certain number of "radical visionaries" who want to "perfect the work the Prophet was unable to accomplish while on earth" and to construct a new revolutionary theology, have at this writing produced nothing more than a copy of Marx's collectivism, scarcely disguised by the cosmetics of Islamic phraseology.

It is surprising to observe that in the West we attribute a great deal more creativity to these champions of "Islamic renewal" than they really possess.

In the face of this total vacuum, those who continue to call to witness the Islamic Republic can only dig themselves in deeper each day in their attempt to square the circle of an abject repression at home and a systematic recourse to terrorism abroad.

3) The regime born of the revolution is meeting with an ever stronger and more active resistance on the part of the Shi'ite religious hierarchy and clergy.

One of the great paradoxes of the power established in the name of a Shi'ite Islam (and without any doubt the one of which foreigners and western nations in particular are the least aware) is the opposition that this power arouses in the hearts of the clergy and the repression exercised in its regard.

Beginning in 1980, the Muslim clergy manifested its hostility regarding doctrinal positions and the methods of action of the new regime. Since then these periodic recantations have turned progressively into formal condemnations.

After Grand Ayatollahs Baha'uddin Mahallati, Hadj Hassan Tabatabai Ghomi, Ayatollah Zandjani and certain less important Shi'ite dignitaries, it was Grand Ayatollah Hadj Abolghassem Khoy--incontestably number one in the Shi'ite hierarchy--who last November condemned both the words and the actions of the Islamic Revolution. These position statements correspond in fact to veritable excommunications and are understood as such by the very great majority of the true clergy and faithful.

Several factors may explain this repudiation:

In the first place, a basic disagreement at the doctrinal level, particularly with respect to the role of the clergy in government and the theory of the kingdom of the learned, the foundation stone of the reigning theocratic totalitarianism.

In the second place, a disapproval of the methods used by the government. The traditional clergy, in contact with numerous strata of the population, could not remain passive in the face of the massive and arbitrary expropriations, the general practice of torture, the extortions, indecent assaults and rapes committed by the Guardians of the Revolution. A failure to react would have completely discredited them and would in addition have led to a stanching of the flow of their principal source of revenue: donations.

Finally, a growing uneasiness in the face of the disaffection of the populace with regard to religious practice. Contrary to the stock phrases circulated by one segment of the press, the popular response to the excesses committed in the name of religion is turning into a widespread anticlerical sentiment. The mosques are empty. Isolated mullahs, often innocent of official crimes, are molested, kidnapped, beaten and sometimes assassinated. The several sessions of public prayer that have been televised have had massive audiences only because of the presence of the Guardians of the Revolution, the civil servants who have been forced to attend, or the "counter-revolutionary" prisoners who are in the process of ideological reeducation. It is interesting to observe the numerous cases of more or less clandestine conversion to Zoroastrianism, the monotheistic religion of ancient Persia.

To this hostility of the Shi'ite hierarchy and a large segment of the clergy, the government has retorted by the authoritarian appointment of new mullahs--the "combattant clergy"--and especially by a severe and often bloody repression. An enormous number of "non-conformist" mullahs have been imprisoned, exiled or slain, and thousands of others have been forbidden to exercise their clerical functions. Of the seven "Grand Ayatollahs," who are the only legitimate interpreters of the law and who represent the summit of the Shi'ite hierarchy, three are presently in prison or under house arrest and one lives abroad; only three of them, one of whom is Khomeyni, still enjoy their freedom!

In the event of a future change of government, the energizing role of this repressed clergy would be no negligible factor.

The War of Succession; a Spiritual Authority Contested

The demise of Ayatollah Khomeyni, now 87, will no doubt be an important factor in the future of the Islamic Republic as well. As a man, he no longer has either the prestige or the popularity he formerly enjoyed--at the beginning of the revolutionary process--thanks in part to the international media. Moreover, outside of Iran, the true face of the revolution and of its "guide" is coming to be better known. However, the charism of Ayatollah Khomeyni has not completely disappeared. It allows the struggles for influence being waged over his succession to be covered up.

Of the 17 members of the now sadly famous Council of the Revolution, which directed the country after the fall of the monarchy, seven have died violent deaths and one died of illness. Among the nine survivors, Abol-Hassan Bani-Sadr, who had been nicknamed the "spiritual son of the imam," sought refuge in Paris. Hassan Ali Montazeri was designated successor to Khomeyni at the end of the year 1985. But according to the internal logic of the system, this designation poses a problem. Actually, under the terms of the constitution of the Islamic Republic, the "supreme guide" of the revolution should be chosen from among the Shi'ite religious dignitaries at the summit of the hierarchy, alone capable of interpreting the law and guiding believers. But Montazeri is only a simple mullah, as are so many others in Iran. All the efforts and pressures of the regime calculated to confer on him the titles and certificates necessary

for his promotion have failed. He has therefore been designated according to a hastily contrived administrative procedure. This precipitateness came in reply to two preoccupations. First, the authorities in Tehran want to organize the post-Khomeyni period by presenting evidence, especially to the outside world, of a certain spirit of continuity. And secondly, Hassan Ali Montazeri, generally considered an insignificant figure, even a rather naive one, is the only man to have gained the unanimous approval of all the clans that make up the regime. Each one believes it can take him in and manipulate him easily at the right moment.

A Divided Temporal Authority

Among these clans and factions with rather undefined contours, moreover, two main groups exist. The one, tending to be Marxist and pro-Soviet, especially controls the fundamentals of government machinery, the ministry of security, a large segment of the militias and the office of the public prosecutor of revolutionary justice.

The other, more pragmatic, has as its particular charge the foreign trade sector--of which the profits are enormous--and several national corporations. Its emissaries travel through foreign countries to conclude or supervise business, but also to establish relations.

On the other hand, the real influence of the "liberal" tendency incarnated in Mehdi Bazargan, Khomeyni's former prime minister, (who has the advantage of a small capital of supportive sympathy in certain strata of the urban bourgeoisie) seems to be almost nil. The regime still allows him a quasi-liberty, especially to make people beyond the borders believe that a "liberalization" of the Iranian system is still possible. But his small political party has evidently been banned and its offices pillaged and put under sequestration. Since February 1985 he has thrice been given "corrections" in the purest Nazi style, so that he will not make waves!

A liberalization of the regime, even a limited and progressive one, seems to be out of the question, for it would mean its death. Too many corpses incite people to vengeance, too much confiscation of property encourages the dispossessed to want to regain their rights, so that blind violence and terrorism may be abandoned as a style of government. Moreover, whatever the faction to which it belongs, the ruling class does not cease to declare it openly.

The chanceries of western nations as well as a number of incorrigible experts remain deaf to these public and repeated expressions of position, however.

The Spoil-Sports

At a time when the fate and the orientation of the regime will be at stake, the final balance could also and especially depend on the attitude of the regular armed forces and the various militias.

Decapitated by the revolution, decimated by the war with Iraq and the successive purges, the army is still under suspicion and always under surveillance. The officers are well aware of a system involving frequent transfers and ideologically sound commissioners appointed to all the units. The police and the

gendarmerie are the object of the same constant suspicion and are duplicated by neighborhood committees in cities and by committees of struggle against contraband in rural districts.

The solidarity of these three forces remains complete. Although divided between monarchists and republicans, they remain profoundly nationalistic. The power of attraction and the prestige of the army, to which public opinion justifiably gives the credit for safeguarding the independence and integrity of the nation against foreign invaders, constitute the ever-present obsession of the regime. In fact the army, the police and the national gendarmerie represent the only organized forces around which a future national recovery might one day be envisioned.

In addition to these traditional forces, the regime has created a certain number of militias over the past seven years. Among them the "Pasdarans" or Guardians of the Revolution are certainly the best structured. With forces that number 300,000 men, they have their own security ministry, are equipped with an armored division, a small air force and benefit from all the concern and solicitude of the government. Nevertheless, despite the presence of advisors from satellite countries of the USSR and Palestinian "professionals"--6 000 of them last December, according to a specialized British periodical, although this figure seems exaggerated--their cadre of officers is weak and their discipline rather rough around the edges. Although exorbitant privileges have been granted them, the Guardians of the Revolution are also affected by the general discontent of the populace; acts of insubordination and brawls have multiplied within their ranks in recent times. According to certain information, they are even alleged to be infiltrated by networks of opponents. Nevertheless they still constitute the chief strength available to the radical and pro-Soviet element during any future crisis.

Dissidents and Opponents

In the Iranian diaspora two tendencies opposed to the present regime are evident.

The first is composed chiefly of former collaborators of the present regime who have kept their distance, chosen exile or simply been thrust aside. With more or less discretion or guilty conscience, they all bear witness to the "ideals of the revolution" and believe they have been betrayed by their former friends. They could be qualified as dissidents.

Within this first branch of the opposition, the Mujaheddin (organization of the combattants of the people of Iran), practically eliminated from Iranian territory at present, possess a good organization and extensive instruments of propaganda that operate outside the country, thanks to sizable financial resources, the origin of which is very controversial. With respect to them, three observations must be made:

- 1) First of all, with their Marxist tendencies--they are often called "Islamic Marxists"--the Mujaheddin publicize, in their basic documents and their publications in Persian, an ideology very close to that which was applied by Pol Pot

in Cambodia. Several ideologists belonging to the movement were evidently fellow students of the latter in Paris, moreover.

During the year 1985, anxious to acquire political respectability, the Mujaheddin tried to hold to a more moderate line. They met with European figures representing the center and the right. Faced with the inertia of the other movements, they tried to assert themselves, with claims of offering the chief solution for change in the eventuality of a new government in Tehran. The operation seems to have fizzled out.

2) Then, one must not forget that from the beginning of the seventies the Mujaheddin have had recourse to violence and terrorism as the sole method of political action. They then allied themselves with Palestinian maximalist terrorist movements, and with the triumph of the revolution they have become the real agents for the dirty work of the regime.

It is difficult to see how their current democratic, nonviolent and pluralistic jargon could be believed.

3) Finally, the Mujaheddin signed an agreement to cooperate with Iraq--a country whose aggression has caused the death of more than 500,000 Iranians and one that, at the beginning of hostilities, did not hide its desire to destroy Iran. On Iraqi territory they have bases and radio transmitters at their disposition, and they publicly claim responsibility for acts of sabotage and attacks against Iranian armed forces. Whatever aversion Iranians may have against the current regime, they cannot help but consider the Mujaheddin as collaborators with the enemy.

Under these conditions, it is not surprising that, despite the support that comes from European "progressivist" circles and from a few leftist "liberals" in the United States, the Mujaheddin are more and more frequently discredited.

The second tendency is more widespread: if initially a segment of the political intellectual elite of the former regime constituted its framework, there has now been a progressive changing of the guard. After being divided, ineffective and isolated from what was really going on in the country, this movement seems to be reassessing itself.

Two of these movements that had organized themselves around Generals Gholam-Ali Oveyssi and Bahram Ariana of the former imperial army fell apart after the assassination of the former in Paris in February 1984 and the demise of the latter in June 1985, also in the French capital. Both of these movements declared themselves to be openly monarchist and favorable to a restoration of the Pahlavi dynasty. This is also the case with the Free Iran Movement, a very active monarchist organization--led by Princess Azadeh Shafigh--which has been rather reticent since the inauguration of the Council for Constitutional Monarchy by Prince Reza.

On the other hand, two additional opposition movements continue to maintain headquarters in Paris and evidently have considerable means and resources at their disposal: the National Resistance Movement, led by Mr Shapur Bakhtiar, 72, the last prime minister of the Shah; and the Front for the Liberation of

Iran, under the leadership of Mr Ali Amini, now in his eighties, another former prime minister and a man who from 1930 to 1979 was one of the outstanding politicians in Iran. The former movement has a radio station that transmits in part from Baghdad, as well as several propaganda newsletters that it distributes among Iranian exiles. The latter broadcasts a radio program intended for the interior of Iran, from a transmitter located outside the country, and it also publishes a weekly in Paris.

The political action of the Iranian Movement for Freedom and Progress, which includes a good number of intellectuals and technocrats in the United States and Europe and publishes in Paris a newsletter entitled "Le Point sur l'Iran" (Focus on Iran), is seen chiefly as a political party of liberal and nationalist tendencies that is preparing for an alternative to the present regime; whereas the activity of figures like Admiral Ahmad Madani, Prince Ali Pahlavi (the nephew of the late Shah) or Me Mohsen Pezeshkpur, the "leader" of the Pan-Iran group, remains rather at the level of individual efforts.

The monarchists profit from the nostalgia for the past that affects all Iranians; but up to now they have created no structured political organization. The attempt inaugurated in October 1984 by Prince Reza, the legitimate heir to the throne, to promote his own organization (the Council for the Constitutional Monarchy) is marking time. The supporters of the monarchy--and they are many--are waiting for a more responsible attitude on the part of the prince, a less hesitant and more energetic action; in short, a political presence.

Other groups with more promising futures, however, do stand out. Making allowances, they try to move beyond--or at least around--the fruitless quarrels between monarchists and republicans, to work out designs for a society and to reflect on a political strategy. Differences of opinion separate them, although they are all categorically opposed to the present regime. Some come close to approximating socialist ideas; others might be termed "modernist liberals." Some would have a Spanish-type monarchy as their desired form of government; others strive for a true republic, the expression of the will of the people.

However, on a number of points their positions converge: first, they all admit the principle of national sovereignty. For them the future political structures of Iran cannot be imposed but should result from the decision of the Iranians, to be expressed once they have regained freedom, security and serenity. In this respect, one must give due credit to Prince Reza, who, while reaffirming his rights and claims, has had the wisdom to come around to this principle. Secondly, they agree on the need to equip Iran with a democratic regime adapted to the socio-political structures of the nation. They all reject totalitarian ideologies. Thirdly, all groups feel that a period of transition is inevitable, in order to assure the return to a state of law, the establishment of security for persons and property, as well as respect for the basic freedoms. Only at the conclusion of this period can the definitive return to normal political life be realized. The recent experiences of Argentina, Brazil and Turkey show that such desires are not dreams but plausible hypotheses. Nothing rules out the birth of a consensus among these different forces--whether it be a question of the adoption of a simple code of good conduct or a truly active and constructive cooperation.

Such a jolt could triumph over the inertia, irresponsibility and self-satisfaction that have thus far paralyzed the Iranian opposition. But how to instigate it?

Tomorrow: the De-Khomeynization of Iran

Upon the death of Ayatollah Khomeyni (which as we have said will probably constitute the decisive turning point in the future of the Tehran regime and the Islamic Revolution), alas, it will be difficult for Iran to avoid a time of chaos and struggle, probably a violent phase in which the complete control of power will be at stake. The rapid decline of the influence of the man himself could, moreover, bring about this result even before his physical demise.

The scenario for the takeover of power by Hassan Ali Montazeri, whom the regime is trying to accredit abroad, is very difficult to envisage for anyone who is familiar with the realities of life in Iran, the state of public opinion and certain relationships of strength within the country. This mullah is simply nonexistent and will be swept aside. In fact only two hypotheses deserve to be considered:

1) Iran could be transformed into an officially "nonaligned" republic, but one that is actively pro-Soviet, that would continue to serve as a support for international terrorism and a base for the subversion and destabilization of the Muslim nations that are close to the free world.

The Afghan experience--among other mishaps--should be dissuasive enough to prevent the Soviet Union from organizing a direct takeover of power by the Tudeh communist party.

Pro-Soviet in its foreign policy and its strategic options, more and more collectivist in its domestic economic policy, such a regime--quite similar to the Libyan model--would satisfy all the fundamental goals of Moscow on both short and median terms.

The recent evolution of the Tehran regime, the inertia and indifference of the West, which bears a large share of the responsibility in triggering off the present process, and unfortunately the inability of the Iranian opposition thus far to propose any other valid option, render this scheme plausible. All the more so in that a superpower such as the USSR, capable of making decisions and taking action swiftly by reason of its totalitarian nature, will not fail to favor it.

2) A second possible evolution: Iran could show a trend towards a form of rapprochement with the free world and choose to exercise a moderate domestic policy.

The combined effect of the energizing power of the moderate religious hierarchy, the organized strength of the army, the police and the gendarmerie and the gravitational and organizational power of a sensitized and motivated elite could well guarantee this change of command.

Nonetheless, it would be completely deceptive to believe that that would mean a return to the past. Whatever the case may be, in order for this hypothesis

to come to realization, the political support of the western world would be indispensable. Does the desire to envisage, prepare and foster such a solution exist among the nations of the free world? The question must be asked, and one of the fundamental tasks of the Iranian opposition forces is to raise a healthy consciousness among the members of all groups.

Finally, at the conclusion of this perhaps pessimistic analysis--but is an active pessimism not preferable to a demobilizing optimism?--two conclusions force themselves on the observer:

The desired change, the "de-Khomeynization" of Iran, cannot come from the Iranians alone; it will be the result of a combination of circumstances and desires. Nevertheless, the domestic conditions for such a change exist; and they are necessary but not sufficient.

The path to be followed will be very long. But we must agree to take the first step, whatever the difficulties to come. Instructed by the logic of their history, numerous Iranians have at last seen the need for this step.

There, no doubt, is the only reason to keep hoping.

8117

CSO: 4619/56

KHAMENE'I DISCUSSES CHARGES AGAINST UN ENVOY

LD231628 Tehran IRNA in English 1617 GMT 23 May 86

[Text] Tehran, May 23, IRNA--Iran's President Khamene'i on Friday lambasted the U.S. Government for engaging in some sort of "political ruffianism" against the Islamic Republic with the idea of manipulating global opinion and disreputing the Islamic government.

Khamene'i who was sermonising at the Friday congregational prayers at Tehran University campus referred to news reports about an alleged case of attempted shop lifting by Iran's Ambassador to the United Nations Raja'i-Khorassani in New York on May 7 as a calculated scheme by Washington against the Islamic government.

Dispatches on Thursday said that on May 7th Iran's permanent representative to the United Nations had been questioned by FBI agents for allegedly ripping a price tag off a raincoat and walking out with it from an Alexander's store in New York.

At the Friday congregational prayers in Tehran, Khamene'i said seconds after the Iranian U.N. ambassador was seized he was contacted by an FBI agent who told the Iranian ambassador that he would take care of the issue on condition that Mr Raja'i-Khorassani have private talks with him on Iran-U.S. relations.

President Khamene'i said that the FBI agent had threatened the Iranian ambassador that he would release a report on the story to the news media unless he accept his offer which the Iranian ambassador had explicitly rejected.

Khamene'i said from May 7th the CIA went into operation for tempting or otherwise forcing the Iranian official to talk with FBI on undisclosed topics but that its efforts failing the CIA eventually opted to defame the Iranian official by providing a malignant report to the U.S. media....

President Khamene'i who was officiating the Friday mass prayers before a multitudinous group of worshippers here Friday said now that the conspiracies of the U.S. Government against the Islamic Republic and the Iranian officials in the world have been disclosed, Washington and Mr Reagan can no longer pretend to be a supporter of the human rights or a "super" power.

Khamene'i said that earlier this year an Iranian ambassador to an African capital was attacked by unidentified assailants but escaped unharmed. He said investigation into the incident made clear that the U.S. Embassy in that country had been behind the attack against the ambassador.

President Khamene'i said the big powers and the international media subservient to them have specially more recently been at a loss as to what is happening at the battlefronts in the Iraq-Iran war. He said the outlooks of the more influential global media in relation with Iraq-Iran war is one of total confusion, and noted that they publish defamatory reports in relation with Iran simply to counterbalance Iran's lead in the war with Iraq.

Elsewhere in his second sermon President Khamene'i said that Iraq's operations in the battlefronts have long since diminished into limited mock-maneuvers for merely showing off their presence across the borders.

Khamene'i said to make good on its set-backs in other parts of the more than 1,000 kms of battlefronts with Iran, earlier this week the Baghdad regime claimed that it had occupied the Iranian border town of Mehran. He said the town has long since been evacuated and that it does not have any strategic value. The president said also that the strategic heights of the town are under Iranian control and that without the heights the town is nothing to boast of for any army.

The president said that the Islamic Republic now has the Iraqi town of Al-Faw and other strategic locations in Haj'Umran and Fakkeh under its full control.

/6662

CSO: 4600/335

ROLE OF MAJLIS STRESSED ON ANNIVERSARY

GH280738 Tehran Domestic Service in Persian 0430 GMT 28 May 86

[Commentary by the research group of the Central News Unit: "The People's Expectations from the Respected Majlis"]

[Excerpts] Today, 28 May, is the anniversary of the creation of the Majlis. This Majlis has played a definitive and vital role during the sensitive and fateful years of the Islamic revolution in the guidance of the country's issues.

The Majlis is the light and hope not only for the oppressed people in this Islamic country but a source of hope for the oppressed of the world. This is why the work of the Majlis, the speeches of the deputies, and the general directions of this organization are all the focus of public opinion and the work of the Majlis is followed with special interest. The Majlis has taken revolutionary and basic decisions at sensitive and important times during the revolution, thus finding a place for this decisive organization among the people of the country.

Because of the basic and revolutionary actions of the Majlis, its sacrificing and sympathetic deputies are continuously under attack by the plots of the enemies of revolution, resulting in revered martyrs to the Islamic revolution.

There have been basic changes in the various aspects of society, politics, culture, and economy in the country since the success of the Islamic revolution and the turning of the cruel monarchy into an Islamic republic. Because of this the role of the Majlis, with regard to passing new laws to coincide with the aims and strategies of the Islamic republic, is felt more than that of other organizations.

During the past few years the fact that a legal vacuum was a basic stumbling block in the way of officials in carrying out their duties has been clear to everyone. Many, because of the existence of this legal vacuum in the social and economic fields, have taken advantage and stolen from the people as much as they can. Of course, it will take time to change laws left over from the old regime into laws fit for the Islamic regime and in line with the values of an Islamic society and some will take advantage of this lapse and will

abuse it to their own benefit. But it is up to us and all officials, especially the respected deputies of the Majlis, to shorten this period as much as possible. By removing the basis for abuse they will bind the hands of those who take advantage and loot.

If Islamic law is made in accordance with Islamic values, no one will ever be in a position to break the law or to take advantage of the situation with the excuse of not having laws or the existence of un-Islamic laws.

We must divide laws into two segments: trivial and topical laws, and other basic and decisive laws whose existence or nonexistence will have a vital effect on various aspects of society. These will directly and indirectly affect the running of the society. The respected Majlis deputies must pay all their attention and effort in drawing up and passing basic laws. The passing of these laws and dealing with the people's problems, especially the oppressed levels of society who are pulling most of the weight of the revolution and the war, must be the main axis for action.

If the laws of the past regime were designed to safeguard the interests of a special group of people and capitalists, the Islamic Majlis must do all it can to pass laws that will benefit the oppressed and return their rights from looters and aggressors.

In the economic field, our Islamic society needs a series of decisive laws and basic actions that will lend a helping hand to the poor of society who suffered during the cruel years of the monarchy. In the social and cultural fields, there is a need for a series of basic laws to counter exposure to poisonous Western culture. These cultural attacks of the aggressors must be fought at the roots, legally.

Wasting time, with regard to passing the basic and necessary laws and paying attention to other minor issues causes abuse and looting and will give the enemies of the revolution an opportunity to create dissatisfaction. This also will dampen the enthusiasm of the real owners of the revolution. This is why it is necessary for the people's representatives to keep in mind their vital responsibility at this point of the revolution, as they have done in the past. By drawing up important and useful laws in the various fields of economy, social affairs, and culture, they should provide the groundwork to warm the hearts of the real owners of the revolution--the poor and oppressed of society, despite the fact that such action may not be pleasant for some people.

/6662

CSO: 4640/328

IRAN

OFFICIAL SPEAKS ON ROLE OF CULTURAL REPRESENTATIVES ABROAD

Tehran JOMHURI-YE ESLAMI in Persian 5 May 86 p 3

[Interview with Director General of the Office of Cultural Agencies Homayun Khosravi by KEYHAN; date and place not specified]

[Text] KEYHAN political service. Simultaneous with the third cultural seminar of the representatives of the Islamic Republic abroad, we conducted an interview with Homayun Khosravi, the director general of the office of cultural agencies, which functions under the international deputy office of the Ministry of Islamic Guidance. In this interview, he responded to our questions concerning the role and duties of these agencies and the difference between their work and that of the Iranian political agencies abroad, the operations of the office over the past several years, and to which organization or ministry, according to the law, the responsibility for carrying out and coordinating the cultural and propaganda activities abroad belongs.

First we asked: As you know, the people do not have sufficient, correct information and understanding of the role and duties of the Iranian cultural agencies abroad. Please give a general introduction to the duties of these agencies (embassies).

In response to this question, Khosrow said: On the whole the cultural and propaganda activities of the Islamic Republic of Iran abroad are carried out through centers and bases called "cultural attache offices," "cultural agencies" and "houses of culture." These centers are created either on the basis of agreements between countries, in which case the title of the highest permanent organizational position approved by the employment affairs office of the country is given to the center, or in countries which lack cultural agreements with us, the name of the cultural center is determined by the highest position approved by the honorable Cabinet.

The duty of the cultural attaches and officials and the houses of culture abroad is to expand cultural relations between the Islamic Republic of Iran and other countries of the world. This goal is secured through establishing

relations with the cultural personalities and professors and students in the universities and cultural and religious centers of that country; holding cultural, scientific and literary seminars; establishing culture and art exhibitions, such as the exhibition of books and works of artists in that country; the formation and creation of Persian language classes and Persian language chairs in the accredited universities of that country; the creation of research and cultural centers and working on their libraries and valuable books, translations, and publications; distributing the works of scholars and prominent persons in the science and literature of Iran into foreign languages; showing films, pictures, and slides; fighting the negative propaganda of the enemies of the Islamic revolution through publications in newspapers and holding necessary press and radio and television interviews; helping and cooperating with cultural and scientific establishments and societies and publications of weekly, monthly or seasonal cultural and social journals and distributing such publications among the people.

Concerning the presence of Iran in the cultural and scientific assemblies of the world, the director general of the office of cultural agencies said:

At the present, unfortunately, we do not have a presence in many of the cultural and scientific assemblies or art circles abroad. Not only are we not present, but we have no relationship with them. Among the delegations who come to Iran or delegations who go from Iran, there are few delegations who carry cultural messages. Worse still is that this problem is not discussed very often and, therefore, little discussion is held about a solution to it.

We asked: According to the law, what organization is responsible for carrying out propaganda and cultural activities and what initiatives, in your opinion, must be taken to better carry out these kinds of cultural and propaganda affairs?

[Answer] According to the decree of his excellency the imam to the previous minister of Islamic guidance, the responsibility for carrying out and coordinating propaganda and cultural activities abroad is conferred on the Ministry of Islamic Guidance. In other words, as the political agencies abroad are responsible for coordinating all political and economic affairs and relationships, cultural agencies are also responsible for coordinating cultural and propaganda activities, of course, within the framework of the foreign policy of the Islamic Republic of Iran. The reason for the separation of these two is merely in order to prevent cultural issues from being sacrificed for political expediency.

In this connection, the organizations that are present abroad and are in some way involved in cultural affairs and propaganda abroad are: the Voice and Vision, Islamic propaganda organization, education, the Ministry of Culture and Higher Education, the Ministry of Foreign Affairs, etc.

In the conclusion of the interview, we asked the director general of the cultural agencies to explain the role of art as a means to nurture propaganda activities abroad.

He said:

In countries where cultural agencies have been established (especially in Europe and the subcontinent), visual, pictorial and exhibition art is useful. For this reason, we place special importance on it. We believe that emphasis on cultural partnerships between Iran and other countries, particularly the subcontinent, and the proper utilization of art as a very important tool will help us tremendously in introducing Islamic culture and thought. Hence, the more we try to understand through cultural partnerships and the more we benefit from art as the voice of culture and thought, the more successful we will be in carrying out our mission.

On the other hand, as you know, through the Persian language, Islam was transmitted to the Indian subcontinent. Considering the high percentage of Muslims interested in Persian language and writing, the important and valuable role of Persian language can be understood in transmitting the Islamic culture in that area. For this reason, attention to these two issues is the main duty of the agencies. Cultural agencies try, as the case requires, to offer cultural and propaganda issues through various exhibitions and competitions or to establish educational and other classes in the form of art. They also make an effort to spread Persian language by establishing Persian language classes for beginners and holding seminars to re-train Persian language professors abroad.

He also presented a list of the countries in which the Islamic Republic of Iran has cultural agencies and said:

The cultural agencies of the Islamic Republic of Iran are at the present active in India, Pakistan, Turkey, Lebanon, Bangladesh, Greece, Syria, Sierra Leone, Kenya, West Germany, Austria, and Belgium.

Our activities in France, Switzerland, Argentina and Zimbabwe have stopped temporarily for one reason or another, but will resume after the obstacles are removed. The expansion of cultural agencies in the south of the Persian Gulf, Central America and Africa is being studied and evaluated. God willing, in the not-too-distant future, we will take steps to establish these agencies.

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CSO: 4640/308

OFFICIAL DISCUSSES TEACHING PROBLEMS IN NONPROFIT INSTITUTIONS

Tehran JOMHURI-YE ESLAMI in Persian 5 May 86 p 19

[Interview with Representative Hojjat ol-Eslam Morad'ali of Sanqez, chairman of the Majlis committee on education, by KEYHAN; date and place not specified]

[Text] KEYHAN political service. After the victory of the Islamic revolution, in order to create just resources, all nongovernmental schools were dissolved. From the very beginning, differences existed between the authorities of such schools and the Ministry of Education concerning the administration and the regulations. However, despite these differences, the nonprofit schools continued their activities in accordance with their special conditions and regulations until ultimately the circumstances became critical, even ending in the closure of two schools.

The law also has not been clear on this point so far. For this reason, in order to better clarify the issue, we spoke to Hojjat ol-Eslam Morad'ali Ahmadi, the representative of Sanqez and chairman of the committee on education of the Majlis, and asked for his views in this regard, which follow.

[Question] Recently the issue of private schools has instigated certain events in the country which have even resulted in conflicts. Considering that recently the plan for the participation of the people was discussed in the committee on education, what is your opinion about these issues?

[Answer] After the revolution, nonprofit schools were nationalized and came under the control of the government. The Revolution Council again decided that the nonprofit schools should continue their work only in accordance with Note 1 of the legislative bill for the administration of nongovernmental educational units ratified on 2/12/58 [21 February 1980] for bylaws to be prepared for ratification by the Council. The note remained in effect and the schools continued their work, creating certain conflicts and differences between the authorities of the nonprofit schools and the government concerning the administration of these schools. Naturally, since under the present

conditions these conflicts became widespread and were about to cause problems in the whole country and to overshadow the main issues of the country, a number of people decided to offer a plan to resolve this issue. The plan was for the existing schools to conform themselves to the present system and policies in education. Many believed that this plan would solve the problem. The proposal came to the committee through the representatives and the committee ratified it with certain changes and clarified that the authorities ratifying the bylaws of the partnership are the people and the Majlis. The Majlis has replaced the Revolution Council, which no longer exists. After discussions in the media and other circles, other problems were discussed and naturally some individuals spoke both in opposition and support, which created some noise throughout the country. There are various views in this regard. One of these views is total opposition to these schools in principle, whether they be the existing schools or extensions of them. One of the reasons, it is said, is that under the present circumstances the regime is responsible for distributing the resources fairly so that students are able to make use of these resources equally for their growth. It is believed that if these schools exist, naturally, considering the salaries paid, they will absorb the good teachers and as a matter of course the schools in the southern part of the city will lack good teachers, thus creating a class difference.

There are also some who support these schools absolutely, both the present schools and their extensions. In other words, they say that these schools result in greater student improvement, faster growth in their abilities, and better training. For this reason, they keep a constant and continuous watch over individuals. I said absolutely, because those who follow this thesis also want to control the administration rather than have the government to do; they oppose governmental administration. There also are those who are of another opinion: that the existing schools should continue as long they do not conflict or differ with the educational system and policies of the country. Naturally, if there are conflicts and differences, the educational order of the country will be disturbed. They believe that a child must have constant and continuous training, which is also the policy of the country. I myself and the committee are also of the same opinion. This was ratified after being ratified in the first round of discussions and sent back to the committee. The committee approved the continuation of these schools, provided they conform with the educational regulations of the country. Note 1 of the ratification of the Revolution Council is such. From the beginning of the academic year 1365-66 [1986-87], Note 1 of the legislative bill for the administration of nongovernmental educational units ratified on 2/12/58 [21 February 1980] by the Revolution Council will be void and nonprofit schools will be required to conform to the current education laws and regulations. Naturally, if they are unable to conform themselves to this law, they may not exist. The main part of the bill is the manner of participation and will satisfy those who support the expansion of these schools. In other words, we have a single article that states: The Ministry of Education is charged with preparing the bill for the participation of the people in education for ratification by the Majlis within two months. This bill will clarify the procedure for the participation of the people in creating the administration of such schools. These problems will be resolved and if there are people who want to participate and help schools it will be clarified how

this must be done. Of course, there are charitable and unknown people who help and provide a great deal of resources at the disposal of the government. The parent-guardian society of education has taken great strides in this direction and the guardians of students provide a great deal of help, which must be appreciated. Of course, if they are directed in a clear channel and the objectives are clarified, it will be a better incentive for the participation of the people. What is clear and is agreed on by the opponents and supporters are a few principles. I am saying this to see whether or not they can coexist. The first principle is participation. No one denies the participation of the people in national affairs, including the proper education of their children and the creation of the grounds to nurture their talents. We must believe that without the direct presence and participation of the people, the system will not continue. Another principle is the proper training of and careful supervision over the blossoming and growth of the talents of the young people of the country, which is also not denied by anyone. Therefore, the children of the nation, who are the children of the revolution, must be trained in accordance with the precepts of the Islamic Republic and the channel of God's laws. Our martyrs also believe that their training must conform to the Constitution and the Islamic Republic. Another principle is observation of the laws, regulations and discipline of the country, which must govern the whole country. Can anyone consider himself a supporter of religious guardianship and in practice violate the law? Therefore, the three principles mentioned can coexist. Of course, some of the officials of such schools do not want to accept administration by the government. They say that if they accept government administration, their ideas will not be carried out; but this is not so. We consider the basis of the regime and the government to be Islam and God. Naturally, we trust the officials that are voted into office by the nation, and we must trust them.

[Question] We said: As you yourself expressed, without the presence and participation of the people, our regime will not stay in power. We believe so. However, the people who have proven their presence at the sensitive and necessary junctures are mostly from the oppressed strata of the society. On the other hand, the registration of students in nonprofit schools is carried out through specific channels, such as intelligence tests and so on, and there is the high tuition which is charged for registration. Given all this, how do you combine the participation of such people and such schools?

[Answer] The participation of the people must be regulated so as not to conflict with the Constitution, because the Constitution states that the people must not be obliged to be involved and participate in education. The government is responsible to provide educational resources free of charge. Of course, some of the prominent people believe that government responsibility must be kept within its ability. When the government is unable to do so, it must either close down the educational system or somehow manage it. Now, we do not argue that the people have to participate. It has not reached that stage yet, because when people are so generous on their own, there is no obligation for their children to pay tuition. Therefore, a bill is presented by the government and the Majlis committee gives its view in order to devise it such that the oppressed and destitute are not absolutely put aside and at the same time the middle class is not pressured. But the wealthy and

comfortable strata can and must pay tuition, and we have no problems in this regard.

[Question] We said that the private schools do not accept governmental administration. As you also pointed out, they say that if the administration is government controlled, their ideas will not be implemented. Considering the present situation of the country, abundant policies and various conspiracies against the Islamic regime, do you not find it possible that private schools will appear which will channel students according to their age and high learning ability and train them in accordance with their particular political ideas?

[Answer] This is one of the worries, and the opponents have the same worry. They say that these schools have an objective and a particular policy governs them, which will prevent the children from following the goals of the government, will separate them from the government composition, and make them merely knowledge stricken, imposing a series of particular ideas which will be dangerous for the future. Of course, we have said the same to some of these people, but they deny it. There are worries about such motives; but it is not possible for such schools to exist in our country. For this reason, we say that the administration must be governmental. Practical supervision of the government and the policies of education will not allow such ideas and policies.

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CSO: 4640/308

IRAN

CONDITIONS FOR TEACHERS TRAINING ANNOUNCED

Tehran JOMHURI-YE ESLAMI in Persian 5 May 86 p 3

[Text] Economic service. The administrative and employment affairs organization of the country agreed to the proposal of the Ministry of Education based on the implementation of educational courses for teachers equivalent to expertise in elementary, mathematics, experimental sciences, Arabic and the teaching of religion.

According to the public relations office of the administrative and employment affairs organization of the country, the aim of these training courses is to raise the level of scientific and cultural knowledge of the teachers to enable them to teach properly at the elementary and Rahnama'i levels and also in order to provide more motivation to continue serving in the Ministry of Education. In the fields of religion and Arabic, 1,000 persons; in experimental sciences, 600 persons; in mathematics, 1,000 persons; and in elementary education, 900 persons have been selected to begin their studies. Individuals may take part in the course who, in addition to having a high school diploma, are officially employed in one of the common fields of education, have taught at least 2 years in a village (by the date the course begins) or 3 years in a city, whose age does not exceed 35 at the beginning of the course, and who pledge to serve in the field they have studied for the Ministry of Education for twice the period they study.

The duration of this course is four years, based on the unit system, which includes four terms of personal attendance and a maximum of three terms in absentia.

These units include 20 units of general subjects, 20 units of basic subjects and 34 units of specialized subjects, for a total of 74 units.

At the end of the course, graduates will be granted a certificate of specialization in one of the fields of elementary education, experimental sciences, mathematics, Arabic or religion, the value of which will be based on the note to Article 10 of the implementation bylaws of the plan for the classification of teachers in terms of employment in the professional fields of elementary and high school teaching (experimental sciences, mathematics, Arabic and religion) equivalent to an associate degree and will be the basis for future promotions.

CONSTRUCTION OF NEW REFINERY, OTHER DEVELOPMENTS CITED

London MEED/THE MIDDLE EAST'S BUSINESS WEEKLY in English 24-30 May 86
pp 12-13

[Text]

Bids called for \$1,000 million refinery

The **National Iranian Oil Company (NIOC)** is inviting offers for a contract to build a 220,000-barrel-a-day (b/d) oil refinery at Bandar Abbas. The turnkey project will be worth nearly \$1,000 million, observers say.

Closing date for bids, invited on 19 March, is 20 July; however, observers say the deadline may have to be extended because the foreign firms involved want more time. Payment is to be made in oil.

Italian, Japanese and, possibly, West German companies are bidding for the scheme. They include **Technipetrol** and **Snamprogetti**, both of Italy, and two Japanese companies — **Chiyoda Chemical Engineering Construction Company** and **JGC Corporation**. West Germany's **Lurgi** is also believed to be bidding; the UK's **Lummus Crest** was invited to submit an offer, but may choose not to do so.

The refinery is believed to have been accorded priority by NIOC: it will take at least three years to build.

The refinery complex is to include a 200,000-ton-a-year lube oil plant, and a costly hydrocracker for middle distillates. It is possible that separate contracts will be issued for the lube oil unit and the refinery.

The site of the complex in the southeast — the furthest point from the Gulf war zone — means a long pipeline must be built from the oil fields in the southwest. As a result, there is speculation that the scheme may be tied in with plans to set up safer export terminals outside the Gulf.

Iran's requirement that crude or fuel oil be accepted in payment has kept down the number of potential bidders. Even some of the firms preparing offers may pull out at the last moment. "Finding someone to arrange a barter deal in this market is difficult," one company says. Another points out that the refinery construction market is so quiet that his firm would be "happy to accept any arrangement, so long as we get the business."

The planned Bandar Abbas complex is the second refinery scheme approved since the 1979 revolution — in addition to a lube oil plant at Isfahan. A 200,000 b/d refinery is to be built at Arak — the site of a proposed \$1,500 million petrochemicals complex.

Plans call for three more 200,000-b/d refineries to be completed by the early 1990s. The five new plants would double total refining capacity to 1.5 million b/d. Proposed sites for the refineries are Ilam, near the Iraq border, Mashad, in the northeast, and Abadan, where the main 625,000-b/d refinery was destroyed in the early months of the Gulf war (MEED 14:12 85, page 46; Iran, MEED Special Report, November 1984, page 19).

Snamprogetti wins LAB contract

Italy's **Snamprogetti** has been awarded a design and engineering contract for a \$70 million-100 million linear alkyl benzene (LAB) complex at Isfahan. The plant will have capacity to produce 50,000 tons a year of LAB, which is used to make detergent.

Snamprogetti won the contract against competition from three other Italian firms — **Foster Wheeler Italiana, Technipetrol and Eurotecnica Engineering & Constructions** — West Germany's **Uhde** and Japan's **JGC Corporation**. Bids were submitted in early February (MEED 8:3:86).

Client is the Industries Ministry. Construction is scheduled to start soon.

IN BRIEF

● **Steel Trading Services Company of Iran** is inviting bids for the supply of an ore handling system, high pressure substations and spare parts. Closing date is 20 July.

● **Arak Machine Tools Development Project** is studying offers for the supply of three diesel locomotives.

● Foreign exchange allocations for 280,000 plants and workshops supervised by the Commerce Ministry have been approved by the Economic Mobilisation Headquarters, the official Islamic Republic News Agency (IRNA) reports. The plants employ 1.4 million people. The amount of foreign exchange involved is not specified; the decision clears the way for imports at a time of tough foreign exchange restrictions.

● The Customs Bureau is expanding its offices in the south, to help exporters of non-oil goods, the state radio said in early May. The government has been trying to expand non-oil exports, particularly to other Gulf countries (MEED 17:5:86). In mid-May, the Mostazafin (deprived) Foundation said it had exported 100 tons of apples to the UAE; it hopes to increase the volume to 2,000 tons in 1986. Earlier, the **Iranian Meat Company** said it had a contract from Kuwait to supply 7.5 tons of meat over two months, and plans to export 15 tons a month to the Gulf. The company took part in the recent Sharjah international trade fair, where it sold 1,600 tons of meat products.

● East Germany is interested in co-operating in port, shipping and railway schemes, according to ambassador Guenther Fritsch. The ambassador met Roads & Transport Minister Mohammad Saeedi Kya in mid-May.

● Iran is to set up a factory making vaccines in Tanzania, according to the official Islamic Republic News Agency (IRNA). An official of Tehran's Razi Institute has visited Dar es Salaam to sign an agreement and to prepare for the project. The Red Crescent Society has sent 70 tons of medicines and food to Tanzania and Mozambique.

● French and Iranian experts are near to reaching agreement on the repayment by France of a \$1,000 million loan extended during the regime of the late Shah. Deputy Prime Minister Alireza Moayeri said in Paris on 21 May. He was speaking after a meeting with France's Prime Minister Jacques Chirac. Other issues on the agenda are Iran's demand for French even-handedness in the Gulf war, and the problem of Iranian opposition groups based in France.

● The new UK charge d'affaires has been prevented from taking up his post in Tehran in retaliation for a British decision to block the appointment of a revolutionary student as head of the Iranian mission in London, the UK Foreign & Commonwealth Office said on 15 May. The Iranian diplomat, Hossain Malaek, was one of the militant students who seized the US embassy in Tehran in November 1979 and held 50 US citizens hostage for 444 days. The UK refused a visa request for Malaek, and Iran responded by rejecting a similar application on behalf of the UK's diplomatic representative Hugh Arbuthnott. The UK diplomatic mission operates as an interests section in the Swedish embassy in Tehran.

● Ali Shamkhani has been appointed ground forces commander of the Islamic Revolutionary Guards Corps (IRGC). He was previously deputy to IRGC commander-in-chief Mohsen Rezai. The IRGC plays a key role in the Gulf war: it comprises several hundred thousand revolutionary guards, and can call on up to 3 million war volunteers of the Baseej (mobilisation).

●Khosrow Tehrani, former head of a security organisation based at the Prime Ministry, has been arrested in connection with the August 1981 explosion at the ministry that killed Prime Minister Javad Bahonar and President Rajai, reports say. Another suspect, Mohammad Taqi Mohammadi, recently committed suicide in prison (MEED 10:5:86). Both are said to have been close to Alireza Keshmiri, who allegedly planted the briefcase bomb; Keshmiri is said to have fled abroad.

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CSO: 4600/343

BENAZIR URGES CLOSER TIES WITH INDIA

Islamabad THE MUSLIM in English 12 May 86 p 1

[Text]

NEW DELHI, May 11: Talking to Miss Benazir Bhutto in Pakistan last week, I found her friendly to India, with a positive outlook, unlike her father Z.A. Bhutto who often talked in terms of a thousand year war.

The Acting Chairperson of the Pakistan People's Party (PPP) said that Pakistan and India must bury the hatchet. "We have had enough of it. Let's start a new chapter." Miss Bhutto said, "India has a new generation leadership and I hope that Pakistan will also have a new generation leadership. I hope that these new generation leadership will be able to settle problems dealing with each other without any of the bitterness of the past and without any of the prejudices of the past."

At public meetings Miss Bhutto speaks in chaste Urdu, Pakistan's official language which she was not fluent in even two years ago. She has also worked hard to learn the language. She has also worked hard to gather facts and figures with which to condemn the military regime in Pakistan. The interview she gave me was in English and she was very critical of the role of the military and Gen. Zia, the President of Pakistan. But most of her observations were moderate and she gave the impression that she does not want to stir up the people's anger.

Among many things, Ms. Bhutto is the people's catharsis, whereby they purge their sense of guilt for not having protested against the execution of her father, now a legend in Pakistan.

"Bhutto ham sharminda hain, tere karil zinda hain" (Bhutto we are ashamed because your killers are alive) is one of the slogans the people chant, while beating their chests at the massive gatherings she is attracting even at wayside places. The following are questions and answers referring to India:

You once mentioned that Pakistan should not play the Sikh card. Do you have firm evidence of Pakistan's complicity?

You see there are times when I have information on certain matters but I do not believe in ever speaking about them because it is not fair to somebody, and I being a Pakistani it is not fair for me to speak in a manner that could further embarrass my country whether I agree or do not agree with the regime. Let me say that as far as PPP is concerned we do not believe in creating tensions. We believe in reducing the tensions. It is a matter of pride for the party that during the period of PPP that democratic India and democratic Pakistan

were able to arrive at the Simla Agreement which has provided the longest basis for good relations in the Sub-Continent.

Did you follow the Shah Bano case in India?

I did hear something about how it created a rumpus. I personally believe that there should be a personal law and civil law and let the individual decide on the basis of personal law or on the basis of civil law. I do not believe that the government should interfere too much in the privacy of individual's life, but at the same time I do not believe in the cruel barbaric punishments and laws which this regime (Zia's) has tried to bring about. We believe in equality of man and woman and dignity of each and every individual.

Have you any plans to meet Prime Minister Rajiv Gandhi?

I At present as you can see I am very involved with my aims and objectives for securing elections but the Prime Minister of India has taken up many challenges and I wish him well in the task he is facing. No doubt, India is facing many problems but I am sure that he has the energy and capacity to deal with them because he has a good team to help him.

/12379

CSO: 4600/352

BENAZIR ALLEGES CONSPIRACY ON TRANSFER OF POWER

Islamabad THE MUSLIM in English 11 May 86 p 8

[Text]

HYDERABAD, May 10: Miss Benazir Bhutto, Chairperson of the PPP, alleged here Friday night that General Zia had sent a letter to Prime Minister Mohammad Khan Junejo to grant him extension in his capacity as commander of the Armed Forces but Mr. Junejo, in a state of confusion, has not been able to decide the matter.

Addressing a historic public meeting here, she alleged that the government had hatched a conspiracy to create another Kausar Niazi to hinder the smooth transition to democracy. Miss Bhutto informed the crowd of hundreds of thousands that a plan had been worked out to hold fresh elections on party basis with Benazir behind the bars. "I warn them that the people who had rejected them, will not tolerate their tactics any more." Miss Bhutto claimed that General Zia was now in a fix because he was unable to decide whether he should take refuge under the umbrella of the civilian government formed by him or beg the army for shelter. She said the President had lost his nerve after realising that the people of Pakistan had rejected him completely. Apparently hitting at the former Defence Minister the Chairperson of the PPP congratulated the citizens of Hyderabad District for defeating a 'Tara Masih.' She hoped the people of Pakistan will defeat the "real Tara Masih."

Miss Bhutto who was in high spirits, said the people of Pakistan were true Muslims "before Zia grabbed power and they will remain the same even if he is ousted." The PPP chief criticised the Government for neglecting the problems of the people. "How can they solve the problems of the people when they could not open the Khokhrapar route during their nine year's rule," she questioned. Miss Benazir accused the Government of having created misunderstanding and ill-feelings among the people of different provinces. She reminded the people of the words uttered by late King Faisal that Pakistan was a fortress of Islam and Z.A. Bhutto as its guard.

Miss Bhutto who addressed a Press conference early in the day in Badin, said she had dislodged the former chief of Sind PPP Ghulam Mustafa Jatol, before her visit to the Sind so that the world could assess as to what was the position of Mr. Jatol in Sind.

Miss Bhutto felt it was an earnest desire of the people of Sind to get rid of those who were not sincere to the cause of the common man. While on her way to Hyderabad the PPP Chairperson briefly addressed huge crowds at Talhar and Tando Mohammad Khan.

/12379

CSO: 4600/352

ECONOMIC PERFORMANCE UNDER ZIA REGIME ANALYZED

Islamabad THE MUSLIM in English 13, 14 May 86

[Article by Dr Akmal Hussain]

[13 May 86 pp 4]

[Text]

After 9 years of economic growth conducted under the direction of the World Bank and IMF it is time to evaluate the prescriptions they have imposed on us. It is time also to explore the imperatives of building an economy that ensures national independence and social justice.

In this brief essay, I will first evaluate the development strategy implied by the conditionality clauses of the World Bank and IMF. In the second section the state of the National Economy will be examined, finally in the third section the policy choices for achieving a self-reliant and equitable economic growth will be indicated.

The development strategy under the Martial Law regime was formulated within the framework arising out of the IMF/World Bank structural Adjustment Programme. This is a comprehensive macro economic policy package which constitutes IMF/World Bank conditionality and contains three principal policy guidelines.

1. Import liberalisation.
2. Withdrawal of subsidies
3. Exchange rate devaluation.

These guidelines are essentially inter-related and effectively propose that the economy be "opened up" to the flows of foreign goods and capital and that resources allocation in the domestic economy take place on the basis of world market prices. Import liberalisation and withdrawal of subsidies from local goods means that foreign goods would be freely available

locally and compete more effectively against domestically produced goods whose prices would rise as the result of subsidy withdrawal. Apart from this formerly over-valued exchange rates constituted an implicit subsidy to domestic industrialists using imported inputs. This too would be withdrawn following exchange rate devaluation. As import expenditures following import liberalisation increase and export earnings from manufactured goods using imported inputs fall, there would consequently arise an acute pressure on the balance of payments. Hence exchange rate devaluation, which is the third element in the IMF/World Bank policy package, would induce downward adjustment in the exchange rate as a device to sustain import liberalisation and subsidy withdrawal.

The overall effect of this policy would be that resource allocation in the domestic economy would take place in response to world market prices. This means that the domestic resources would tend to be concentrated in the agriculture sector where the country has a comparative advantage (in a static sense) and a shift away from the strategy of industrialisation, which was an emblem of national independence in the post colonial period. In such a development strategy growth of GNP is predicated primarily on the agriculture sector and foreign exchange earnings critically dependent on agriculture exports. Accordingly while readily available agricultural goods would enable an increase in foreign exchange earnings in the short run, the decline in the terms of trade against agricultural exporters and

the low ceiling to agricultural growth, would combine to restrict the growth of export earnings in the long-run. Thus the IMF/World Bank policy package while it would create the capacity to service debts in the short term, would be constraining the growth of foreign exchange in the long-run, and hence maintain a continued dependence of the national economy on foreign loans.

Let us now consider how in the case of Pakistan the IMF/World Bank conditionality was implemented, and then examine its implications for industrialisation and planning in this country.

THE SIXTH PLAN

In Pakistan, the Sixth Five Year Plan which was formulated by the Martial Law Regime reflects the structural Adjustment Programme imposed on our planners as a condition for the loan given by the IMF/World Bank. The Sixth Plan places emphasis on resources allocation based on present comparative advantage, agriculture as the basis of achieving aggregate GNP growth targets and concentration on agricultural exports. For example the World Bank Review of Pakistan's Sixth Five Year Plan states.

"The plan's principal objectives are to achieve a major through in agricultural production an expanding foothold in export markets for agricultural products, rapid development of selected industries in which the country has a comparative advantage.

The Sixth Five Year Plan document itself makes clear the strategy of making agriculture (rather than industry) as the spearhead of growth in GNP.

"...the growth strategy of the plan is based on a major breakthrough in agriculture production....

The Plan document goes on to emphasize the objective of agricultural exports:

"The growth strategy of the Plan relies on a combination of policies including:

1. A major increase in agricultural yields through more efficient use of fertiliser water and farm technology.

2. An expanding foothold in export markets for wheat and rice as well as for fruits, vegetables, flowers, poultry and meat.

3. Increase self sufficiency in oil seeds.

4. Rapid development of steel based engineering goods, modernisation of textile industry and establishment of agro industries for processing agricultural surpluses.

The policy of import liberalisation, subsidy withdrawal and resource allocation based on the market mechanism is indicated clearly in the World Bank Review of the Sixth Plan.

Another significant feature of the Plan is the expanding role assigned to the private sector. With private investment projected to increase more than twice as rapidly as public investment, the involvement of the public sector in manufacturing to decline sharply, the attainment of the overall targets of the plan will depend to a greater extent than in the past on the performance of the private sector... As is recognised in the plan major actions in pricing, deregulation, tariffs, and import liberalisation and other incentives will be needed to induce the private sector to play the increased role expected of it..

MANAGED FLOAT

The implementation of the third element in the conditionality package of the IMF/World Bank (indicated above) namely devaluation of the Rupee, was done by means of de-linking the Rupee from the fixed exchange rate with the dollar and putting the rupee on a "managed float" with a weighted average of the currencies of Pakistan's major trading partners. This resulted in effectively devaluing the Rupee against the dollar by 37.9% between Jan. 1982 and May 1985. As suggested in the foregoing analysis the imperative to

devalue the exchange rate rises as the result of pressure on the balance of payment associated with import liberalisation, subsidy withdrawal and reliance on agricultural exports which are subject to declining terms of trade. Thus in Pakistan, after an initial increase in foreign exchange earnings and strong balance of payments position between 1978 to 1982, export earnings declined sharply by 17.3% in 1983. The balance of payments continued to deteriorate in subsequent years until March 1985 the gross foreign exchange reserves fell drastically to \$833 million which is equivalent to only 1.6 months of import expenditure. One of the most important factors in the deterioration in the balance of payments and the resultant increase in the reliance on foreign loans was a deterioration in Pakistan's terms of trade in a situation where our exportables are mainly agricultural goods. Thus terms of trade have been declining steadily from 87.5 in 1978-79 to 60 in 1983-84

We have argued in the foregoing analysis that Pakistan has moved towards the implementation of each of the major elements of the IMF/World Bank conditionality package which it prescribes for loan receiving countries, namely: Import Liberalisation, withdrawal of subsidies and exchange rate devaluation. The Sixth Five Year Plan has explicitly adopted the framework of resource allocation in response to world market prices on the basis of private profitability criteria i.e. Agriculture as the spearhead of growth of GNP and agricultural export as the major instrument of foreign exchange earnings. In so far as this has occurred, the Sixth Five Year Plan represents a marginalisation of planning in the process of economic growth. For the basic premise of economic planning in an underdeveloped economy is that the present comparative advantage imposes a structure of production (i.e. specialisation in raw material production) that works against the long term interests of the economy and the free market mechanism merely reinforces the existing structure of production. Hence planning is thought to be necessary to pull the economy out of the existing structure of production based on specialisation in agriculture towards one based on industrialisation. The logic of planning is that the existing set of world prices is not an appropriate indicator for resource allocation. In so far as the Sixth Five Year Plan has explicitly adopted World Prices and Comparative advantage as the basis of resources allocation it constitutes an abandonment of

National Economic Planning in the strict sense of the term.

The aggregate growth rate of the economy since 1977 has been impressive (over 6 % per annum) and the government has consistently measured its performance in these terms. Yet when we go behind the veil of aggregate growth we discover an economic structure that is both fragile as well as inherently incapable of providing the minimum conditions of civilised existence to the majority of the people.

THREE TENDENCIES

The fragility of the economy is manifested in terms of three tendencies.

a) Agricultural growth and the food supply situation is based not on an institutionalised process of technical change but on good harvests. Thus after seven good harvests when the govt. was claiming self sufficiency and even an export capacity in wheat, one bad harvest in 1983-84 threw agriculture into a crisis. From an average annual growth rate of about 3.9 % during 1977-82, agriculture growth fell to -6.14% in 1983-84. There was a shortfall of about 1.5 million tonnes in wheat output, thereby obliging the govt. to import wheat.

b) The foreign exchange earnings of the country are based not on a sustainable export of manufactured goods but on the uncertain remittances from Pakistani workers in the Middle East and the equally uncertain prices of agricultural exports. Thus workers remittances which had been growing rapidly in the late 1970's, fell by 5% in 1983-84. As a result of reduction in the growth of export earnings and an increase in import expenditures the country's gold and foreign exchange reserves declined by 10.6 % during 1983-84.

The fragility of the country's economy can be judged from the fact that in one year when a bad harvest and reduced remittances occurred simultaneously the economy nose dived from a position of boom into such a severe crisis that 300 M dollars worth of State Bank reserves had to be liquidated.

c) The third tendency that manifests the fragility of the economy is the growing dependence on foreign loans on the one hand and the growing difficulty in paying back the loans on the other. The total level of annual loans has increased 10 fold from 0.15 billion dollars in the 1950's to 1.6 billion dollars in the 1980's. The degree of dependence on foreign loans can be judged from the fact that about

20% of gross domestic investment is financed by foreign loans. The growing inability to return loans from our own earnings is indicated by the fact that in the year 1977, as much as 44% of gross disbursements were returned in the form of debt servicing of old loans. By 1983 this figure had increased to 87%. The difficulty of paying back past loans has meant a dramatic increase in our debt burden from 3 billion dollars in 1971 to over 13 billion dollars in 1984. What is even more alarming is that the conditions imposed by the loan giving agencies has become increasingly severe and all embracing. As indicated in the earlier sections the conditionality clauses on foreign loans in effect determine the structure and direction of Pakistan's economy. World Bank/IMF determine our import policy, sectoral resource allocation and even influence the pricing of key goods and services—From the price of fertiliser, gas, electricity to the price of railway tickets and education. Such an intimate control over economic policy seriously undermines our national sovereignty.

ECONOMIC PROSPERITY?

The govt uses its aggregate growth performance to paint a pic-

ture of economic prosperity. Yet when we examine the basis of this growth, a less healthy picture emerges.

FIRST: an examination of the sources of aggregate growth shows that the relative importance of the commodity producing sectors is declining while that of the services sector is increasing.

Thus the share of the commodity producing sector in GDP declined from 56% in 1979/80 to 54% in 1984-85. On the other hand the share of the services sector in GDP increased from 44% over the same period.

SECOND: When we examine the basket of goods underlying aggregate economic growth, we find that both the level and range of consumption goods of the elite are rising rapidly while the poor continue to be deprived of basic necessities. According to conservative estimates made by the ILO at least 45% of the population in Pakistan is unable to afford 2300 calories per person per day, which is the minimum caloric requirement for a healthy life. 5.62% of the population does not have piped drinking water; 84% of the population does not have sewerage facilities, finally the housing conditions are so inadequate that 81% of the housing unit have on average 1.5 rooms inhabited by 7 persons.

While the majority of the population experiences economic deprivation, the nature of economic growth since 1977 has been such that it has involved rapid automation in industry and labour displacing mechanisation in agriculture. The result is that the employment generation capability of the economy has been declining rapidly. The number of jobs generated per unit of investment in industry has been declining at the rate of 11% per annum since 1977.

In case of agriculture there is a similar tendency of declining employment generation capability as labour displacing mechanisation proceeds faster than output growth. My study on labour absorption in Agriculture shows that if present policies continue, the labour absorptive capacity in agriculture would decline by 6.9 million households by the year 2002. Under such conditions economic growth in Pakistan seems to be bringing affluence to the few at the expense of poverty to the many (to be concluded).

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The achievement of an equitable growth process based on a self-reliant economy, if it is to be more than just empty rhetoric, requires a set 5 of hard policy choices:—

(1) LAND REFORM: If we are to become independent of aid and the associated conditionality clauses which undermine our national sovereignty, we must tap the considerable potential for domestic savings in the agriculture sector.

At the moment about 60% of rural income is concentrated in the hands of landowners with holdings above 150 acres. Just over 50% of this income is currently being wasted on luxury consumer durables.¹ Underlying this unequal distribution of income is a highly unequal distribution of landownership: Thus 30% of total farm area is owned by less than 0.5% of the landowners.¹ Preventing this colossal waste would require a land reform that re-distributes landownership to tenants. This in itself would increase rural savings because the 25 to 50 acre operator has a

higher marginal savings rate than the 500 acre landowner. Such a land reform would not only increase savings, but at the same time induce a more rapid agricultural growth. The reason is that the large capitalist farmers are close to the ceiling on yields with available technologies. Further growth in agriculture would require raising yields of smaller farmers who are still far below their potential. Granting ownership to tenants would create both the incentive to raise yields, as well as give them the economic power and investible capacity to do so.

(2) ESTABLISHING A HEAVY INDUSTRIAL BASE: Self-reliance also means establishing a heavy industrial base through which we can produce our own machines and develop our own technologies. It is only an indigenous machine producing capability which can enable the development of labour intensive technologies which are vital for enhancing the employment generation capability of the economy. The development of a heavy industrial base would fulfill three strategic objectives:

- a) A policy of building a heavy industrial base for manufacture of machines would give the economy flexibility with respect to technology choice for finished goods. At the same time it would prevent the loss of our resources incurred as the result of purchasing highly over-priced packaged technology.
- b) The development of labour intensive industrial units which such a heavy industrial base would make possible, would increase the employment generation capability of our economy. In doing so, greater equity would also be achieved since income distribution between capital and labour would shift in favour of the latter.
- c) The development of a machine manufacturing capability would be the basis of establishing a dynamic link between indigenous science research and technical change. At the moment science research in Pakistan is divorced from domestic industry and is at best

an outpost of the Western academic establishment. Indigenous technical change is virtually non-existent since technology is mostly imported. In order to translate the ideas of scientific research into new technologies the capacity for machine design and manufacture is necessary. Such an industrial base by creating a demand for

original research would on the one hand galvanise our scientific research institutions, and on the other hand create an indigenous basis for continuous technical change. Instead of suffering the indignity of looking abroad for improving technologies, we can then have the pride of unleashing the creative potential of our own citizens.

The industrialisation policy indicated above would require an enhanced role from the public sector, since many heavy industries such as steel, heavy chemicals, transport, power plant manufacture, electronics would be beyond the organisational and financial ability of the private sector. The question that can then be asked is, does the Public Sector has the competence and commitment to chart a new course in our industrial growth? The existing public sector organisations in many cases are corrupt, bureaucratic and lacking in dynamism and management skill. To sustain the industrialisation programme indicated above the public sector would have to be drastically reorganised according to the most advanced techniques of management, and staffed with workers who have a high degree of skill and who are charged with a sense of commitment to their task — they would lay the foundations of a new Pakistan. If the public sector is to deliver the goods, its personnel must see themselves as the "missionaries of a new epoch" in Pakistan's history. Thus implicit in the industrialisation programme is the transformation of culture in which a new, creative relationship develops between the worker and his work.

Finally such an industrialisation policy while it would bring growth with equity and self-reliance, would require in the first instance severely restricting the existing consumption of imported luxury goods. This of course would hit the big traders of Pakistan. Therein lies the hard choice; maintaining the interests of a trading elite, or the achievement of an equitable and self-reliant industrialisation process.

(3) DEVELOPMENT OF INFRASTRUCTURE: The third element of

self-reliance is the establishment of an infrastructure that produces adequate electricity transport facilities technical know-how and Management Expertise. Currently we are essentially depleting the existing low level of infrastructure since new investment in this sector is lower than its depreciation rate. Not only is a higher investment required but a set of cost effective and small gestation projects and need to be devised. Establishing

a low cost infrastructure that brings quick benefits to the people rather than the elite, involves the following kinds of hard choices: Small dams rather than large dams, cheap public transport rather than the luxury cars, simple low cost housing rather than luxury mansions, nuclear power plants rather than huge shopping plazas.

(4) HEALTH AND EDUCATION: Self-reliance means developing our human capital through radically improved education and health facilities. An economy where the literacy rate is as low as 26% and where an increasing number of people are suffering from preventable diseases cannot be self-reliant. A drastic expansion of coverage in school education and a radical improvement in the quality of higher education is necessary along with a major public health programme.

(5) REGIONAL POLICY: Finally, self-reliance means involving all the regions of Pakistan into the growth process and equity also means a more balanced regional growth. The achievement of regionally equitable growth means changing the whole conception of planning: At the moment economic planning essentially involves allocating govt. resources amongst various "sectors" of the economy such as agriculture, industry, energy, irrigation etc. The current planning exercise basically involves achieving consistency between sectoral growth targets and external and internal financial resources. Space is assumed out of the planning exercise except for spots like Special Development Programmes, which consider investment in backward areas as marginal to the overall plan. Regionally equitable development requires placing the regional dimension

into the heart of the planning exercise. Each investment package must be evaluated in terms of its impact on regional growth.

Pakistan's experience has shown that the development of backward regions cannot be stimulated simply by giving tax incentives to entrepreneurs for investment in backward areas. The attractiveness of infrastructure and markets in the

developed regions far outweigh the attractiveness of tax incentives for the entrepreneur. In rare cases where the entrepreneur does invest in the area designated "backward", (e.g. Hub Chowki) he indulges in "border hopping" i.e. He locates the unit just across the border between the developed and backward region. The industrial unit draws its inputs and sells its output in the developed region, and therefore generates secondary multiplier effects in the developed rather than the backward region. If investment is to go deep into the backward regions to generate self-sustained growth, the development of infrastructure in these regions is essential. The question then arises, where in the vast "backward" region to set up the infrastructure and how much? A Regional Planning Exercise would involve mapping the economic and social infrastructure, geographic location of markets by size and sources of raw materials. On the basis of such a "map", potential growth NODES could be specified in the backward region. These would be locations which on the basis of some existing infrastructure, closeness to a local market, or raw material deposit, qualify for supplementary infrastructural investment by the govt. These nodes could be so specified that as growth begins to occur, they begin to interact in terms of product or factor markets, thereby generating self-sustained growth diffusion in the backward regions.

A strategy of regionally equitable growth would essentially involve shifting our planning exercise perspective from a sectoral to a spatial one.

In this essay I have attempted to argue:

First that the economic strategy implicit in the loan conditionality of World Bank/IMF is essentially a prescription to specialise in agriculture and jettison the industrialisation objective. By proposing that we allocate our resources according to World Market prices these institutions are in effect asking us to abandon National Economic Planning in the strict sense of the term. Second, I have tried to show that the economic structure which has emerged under the auspices of the "Structural Adjustment Programme" is both fragile as well as inequitable. Finally I indicated very briefly the broad outline of an alternative development strategy that would link together the objectives of self-reliance, growth and equity:

*1. Land Reform by giving ownership rights to smaller tenants, would provide small farmers with

both the incentive and the economic power to raise yields. As income of the small farms increases a re-distribution of income would occur simultaneously with growth of total agricultural output. At the same time the shift of income away from the biggest landowners who engage in ostentatious consumption would raise savings and investment in agriculture.

2. An industrialisation programme that establishes a heavy industrial base would enable the development of indigenous labour intensive technologies in the consumer goods sector. Such a policy would increase the employment generation capability of the economy. As more people get employed per unit of capital, income distribution would shift in favour of labour while at the same time accelerating growth, through a reduced capital/output ratio.

3. Third the development of low cost infrastructure, health and education apart from improving access of citizens over basic services, would also improve the quality of human capital, so essential for an industrialisation programme.

4. Finally a transformation of the concept of planning from a Sectoral to a Regional one would enable the achievement of regionally equitable growth.

The alternative development strategy in linking growth, equity and self-reliance would create the basis of national independence and social justice. But if it is to work there must at the same time occur a transformation of hearts and minds: A new relationship between the individual and his work and a new relationship between the individual and community is essential. The process of reconstituting the economy would be an integral part of the process of humanising and liberating our society.—(Concluded)

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CSO: 4600/354

SBPF LEADER HINTS AT BROAD-BASED ALLIANCE

Islamabad THE MUSLIM in English 11 May 86 p 8

[Text]

PESHAWAR, May 10: Mumtaz Ali Bhutto, Convener, Sind Baluch Pakhtoon Front has hinted at furthering close cooperation of his Front which could, at a later stage, lead to a broad-based alliance with the like-minded nationalist parties of the country.

He said it was high time to bring closer the parties with a common programme instead of framing a leftist party or alliance.

Informally talking to newsmen at Bilour House last night, where he was guest of honour at a dinner, also attended by Khan Abdul Wali Khan, leader of NDP, Mumtaz Bhutto who has grown a beard lately, said he had very encouraging negotiations with the leaders of nationalist parties during his current tour of the NWFP. He said it was a very pleasant experience to come face to face with the people of this region who form a part of our Front.

Mumtaz Bhutto, commenting on Benazir's statement in which she had termed the S. B. P. Front an anti-PPP front, said if advocating the rights of smaller provinces meant opposing any party, we are ready to accept this allegation.

When asked as to what would be the impact of Ghulam Mustafa Jatoi's ouster from the PPP's Sind presidency, he said it would make absolutely no difference. He said he was a mere paper lion, painted as such even by the newspapers and those who were resigning from party offices in his favour were mostly his paid servants. As far as the fear of any clash of his Front with the PPP was concerned, he said "I do not see any reason for

any type of confrontation since our programmes were quite different and likewise was the goal".

Replying to a question whether his Front would take part in likely mid-term elections, he said "no" until these are held for a Constitution Assembly giving equal representation to all the four provinces.

Mumtaz Bhutto said we are in the organisational stage for the time being and hence there was no question of entering into an alliance with any party but we would certainly extend our whole-hearted cooperation to the nationalist parties who stand for more autonomy for the smaller provinces.

Replying to another question, Mumtaz Bhutto told a questioner that Abdul Hafiz Pirzada, Secretary General of the Front may return home next month.

MEETS WALI: Later Mr. Mumtaz Bhutto met the President of NDP, Khan Abdul Wali Khan.

According to reliable sources, the two leaders exchanged views on different issues, including the current political situation in the country, and explained their points of view to each other. It is expected that the Front will soon merge into the Awami National Party which has recently been created. After this Mumtaz Bhutto who was taken to "Kisan House", in north Hashtnagar, where he addressed a large public gathering. Explaining the objectives of the Front Mr. Bhutto said, the Sindhi, Baluchi association already exists but it was renamed as "Pakhtoon Sindhi Baluchi Front. He said the demand of "confederation" should be accepted, and that if in future, another martial law was imposed, the provinces should have the right to declare independence.

—PPI

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CSO: 4600/352

POLITICAL PRISONERS REPORTEDLY NUMBER 200

Islamabad THE MUSLIM in English 12 May 86 p 8

[Text]

LAHORE, May 11: "The Pakistan Government asserts that only a handful of political prisoners are now detained and that new detentions have been scarce since January. We estimate, however, that over 200 political prisoners remain in detention in all four provinces. These include 12 of an original 100 students arrested in Sind in 1984 after the military opened fire on busloads of students, . . . some long-standing prisoners, including political leaders Rasul Bakhsh Palejo and Fazil Rahu, have remained in prison without trial for several years even though Mr Palejo, whose detention was recently renewed for another three months, has suffered from prolonged and serious illness.

This was said by an American lawyer representing the New York based Lawyers Committee for Human Rights while testifying before the Sub-committee on Foreign Operations of the Congressional Committee on Appropriations.

A copy of the testimony given before the Sub-committee received here Sunday also highlights the efforts made to dispose of a large number of cases before military courts immediately prior to the lifting of martial law in November and December 1985. It alleges that 26 people were sentenced to death in political

cases held before special military courts in December.

The document further points out that no attempt was made by the Government to reinstate the Supreme Court and High Court judges dismissed after General Zia replaced the Constitution with the Provisional Constitutional Order in 1981.

As for censorship the testimony gave the example of the newspaper 'Amn' wherein the government had demanded that the newspaper retract its criticism of torture in the Sind town of Sukkur and threatened to stop its publication for three months.

Advising the U.S. Congress to encourage "democratisation and future stability" in Pakistan by tying its aid package to the country to progress on these fronts and committing funds for one year only at one time, the human rights lawyer warned that "many Pakistanis believe that huge U.S. military assistance packages have helped General Zia remain in power and that the United States has pursued policies which follow the General's blueprints. Public statements by the U.S. Ambassador in Islamabad critical of the moderate democratic opposition, particularly during the period surrounding the 1985 elections have further fuelled anti-American sentiment.

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POLITICAL PARTIES PLEDGE SUPPORT TO STRIKING WORKERS

Islamabad THE MUSLIM in English 14 May 86 pp 6,8

[Article by Badarul Islam Butt]

[Text]

LAHORE, May 13: The pen-down strike of the clerks in Government departments has spread to the whole of Punjab, and work in all Government as well as semi-Government organisations has slowed down. Meanwhile, thousands of clerks, on Tuesday again staged a protest rally and demonstrated on the city roads on the third consecutive day.

Thousands of clerks, from various Government and autonomous bodies, assembled in front of the Punjab Civil Secretariat. They were wearing black arm-bands, carrying placards and banners inscribed with their demands for higher scales and other facilities. They staged a demonstration outside the Civil Secretariat, raising slogans against the Provincial Government, and in favour of their demands.

The demonstrators later marched towards the Governor's House and dispersed after staging a peaceful demonstration.

Meanwhile, political leaders from different parties have supported the struggle of the clerks community for a fair deal and have urged the Government to introduce radical changes in the age-old institution of clerkdom established by the British rulers to serve their colonial interests.

Shaikh Rafiq Ahmad, Central Information Secretary of the Pakistan People's Party expressed complete solidarity with the clerical workers on behalf of his Party. In a statement he said that the PPP stood for the cause of all low-paid categories of professionals, including clerks, teachers, nurses, doctors, junior engineers and officers in different Government departments. It was an established fact, he said, that the

prices of consumer goods have recorded a rise upto 300 per cent since 1977 but the salaries of the said categories were lagging far behind.

According to Shaikh Rafiq, the problem of ameliorating the conditions of low-paid employees could not be solved only by administrative measures but required thorough and far-reaching changes in the present administrative structure evolved by the British rulers by introducing radical socio-economic policies. The PPP, he said, if came into power would bring change in the distressing conditions of the poor masses as envisaged in its programme.

Pervaiz Saleh, Senior Vice Chairman, Qaumi Mahaz-e-Azadi, has supported the demands of clerks and urged the Government to accept their genuine demands. In a statement he said the unrest among the clerical staff and other low-paid employees was the outcome of the policies of the present Government which, he alleged, has failed to solve the problems of the people. Riaz Lone, Senior, Vice President QMA, Punjab, has also supported the demands of clerks.

Ehsan Wyne, President National Democratic Party, Punjab, also attributed the unrest among the clerks' community to the administrative and economic policies of the Government.

In a statement he said the institution of clerkdom established by the British imperialists had been kept intact in Pakistan which created a class of "Baboos" under the hegemony of big bureaucrats. These "Baboos", he said, were in fact pen-workers who run the entire administration but live in conditions of utter deprivation.

The NDP leader said his party stood for a complete change in the age-old administrative system and called upon the Government to accept the genuine demands of the clerks community.

Ch. Bashir Ahmad, Secretary General Pakistan Trade Union Federation, expressed complete solidarity with the clerks in their struggle for higher pay scales and other facilities.

Main Khalid Rashid, member, National Working Committee, Tehrik-e-Istiqal, has endorsed the demands of All Pakistan Clerical Staff Association. In a Press conference he said that the clerical staff was in fact the real strength of the governmental machinery in a country and their welfare was the concern of every individual.

Mian Khalid Rashid said that the Tehrik fully upholds the demands of All Pakistan Clerical Staff Association and urged their immediate acceptance.

Bashir Ahmad Bakhtiar, President All Pakistan Federation of Trade Unions has also supported the clerks' demands for a raise in salaries. In a statement. He said the prices in Pakistan had recorded 60-fold increase since independence while the salaries had not been raised in that proportion. He urged the Government to accept the demands of the clerks community.

OUR ISLAMABAD STAFFERS ADDS: On the fourth day of their pen-down protest, the clerks in all the four districts of Rawalpindi Division observed complete boycott of their offices. Similar reports have been received from Attock, Jhelum and Chakwal, where provincial as well as federal clerical staff observed the protest.

Mr. Muhammad Aslam Butt, the president and other Rawalpindi Division leaders of the clerks Association, including Mr. Fazlur Rehman, Mr. Aijaz Bhatti and Raja Abdul Khaliq in a joint statement have expressed their complete satisfaction over the success of the protest on the fourth day.

A team of the Association leaders headed by the divisional president, Mr. Aslam Butt, visited various offices of administrative, educational, health and construction departments and addressed their clerical staff. They expressed their full determination to carry on the struggle until the acceptance of their demands.

Meanwhile, Qazi Zafarul Haq Zafar, president, and Arif Keyani, vice president, of the Education Department branch of the All Pakistan Clerk Association have in a joint statement urged their community to remain peaceful thanked various clerk organisations and other forums for extending support to them.

Raja Muhammad Basharat, Chairman, District Council, Rawalpindi, has announced full support to the clerks community. In a statement issued here today he urged the President and Prime Minister Junejo to accept the clerks' demands and do justice to this "oppressed section of the society". He said the clerks were suffering from economic hardships for a long time and their meagre salaries could hardly help them cope increasing dearness. Raja Basharat stated that restlessness among small employees had to be removed if an efficient working of government institutions was required at all.

At Islamabad the T&T clerical staff also observed complete pen-down protest. However, in the Federal Secretariat a negligible number of clerks responded to the protest call. Federal clerks, receiving better salaries and other fringe benefits, proved to be the weakest link in the nation-wide protest.

MULTAN: In Multan the pen-down strike of ministerial staff of WAPDA Forest, Education, Excise and Taxation and District Council entered the fourth day of their protest to press the authorities for acceptance of their demands. More than 62,000 clerks of various Public departments and autonomous bodies today installed their camp in district courts and wore black armbands.

Railways Workers Union Punjab Teachers Union, Municipal Corporation Employees Union, Oriental Teachers Organisation, Secondary Board Employees Union and All Pakistan Fourth Class Employees Union have assured them their full support and cooperation.

QUETTA: In accordance with the decision of the All Pakistan Clerks Association, the Baluchistan clerks have also joined the countrywide protest to press the government to provide better facilities to the clerical staff all over the country.

A spokesman of Baluchistan Clerks Association told "The Muslim", that the clerks would wear black arm bands till May 13 and afterwards would go on pen-down token strike from May 14. Complete strike would start from May 16 which would continue till the acceptance of the demands, he said.

/12379

CSO: 4600/354

WOMEN'S ORGANIZATIONS PROTEST STONING SENTENCE OF WOMAN

Islamabad THE MUSLIM in English 14 May 86 p 8

[Text]

LAHORE, May 13: Three women's organisations have expressed their great concern over the reported sentence of death by stoning awarded to a woman in Attock. They reiterated their condemnation of the law which allowed such inhuman mode of punishment, and described it as barbaric, and a crime against humanity.

In a joint Press conference, they said that to justify this barbarism in the name of Islam was nothing more than disloyalty and disrespect to the religion. They said that their views were supported by the Federal Shariat Court when it held that the punishment of 'rajam' was not Islamic, but a part of the pre-Islamic tribal law. This judgement

incidentally was reversed by the Supreme Court when the Government went into appeal against the judgement of the Shariat Court.

These women's organisations also strongly criticised the passage of the Muslim Women (Protection of Rights of Divorce) Bill 1986, by the Indian Lok Sabha, in which Muslim women had been deprived of the right to maintenance beyond the period of 'iddat'.

All the three women's organisations, the Punjab Women Lawyers' Association, the Women's Action Forum and the Anjuman Bahboode-Khawateen, pledged their solidarity with all the suppressed women of the world and in parti-

cular with their Muslim sisters in India.

Meanwhile Aitzaz Ahsan, a spokesman of the Malik Ghulam Jilani Foundation, has expressed grave concern over the inhuman punishment of stoning to death awarded to a woman, by a court in Attock. In a Press statement, the Foundation official condemned such a cruel and inhuman mode of punishment and said that it would activate all international human rights organisations on this issue.

He said that the Foundation had assigned prominent lawyers and human rights activists to locate the prisoner and take up this case. The Foundation had also decided to invite an international jurist as an observer to the appeal, when it would come up for hearing before the Shariat Court.

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BRIEFS

SBPF-ANP MERGER DENIED--PESHAWAR, May 11: Mumtaz Ali Bhutto has contradicted a news item which said that the Sindh, Baluch, Pashtun front would merge in the Awami National Party. Talking to delegations of political workers and students at his hotel prior to his departure for Karachi after a one-week visit to NWFP, he stressed there was absolutely no truth in the new Leftist Party being launched by merging four progressive parties. However, he said, that the two could cooperate if the ANP agreed with the one-point confederation programme of the SBPF. Mumtaz Bhutto claimed the enthusiasm generated by the SBPF's confederation idea during its first three months of existence was much more than the response received by the late Zulfikar Ali Bhutto's socialism slogan in its early phase. The SBPF Convener said he was returning fully satisfied from NWFP where there was a lot of appreciation for the confederation programme. He told questioners that the National Democratic Party sympathised with the Front's programme while the Pakistan National Party outrightly disagreed. He also clarified that no Convener of SBPF had been appointed thus far. [Text] [Islamabad THE MUSLIM in English 12 May 86 p 8] /12379

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TERRORISM IN COLOMBO DISCUSSED

Terrorist Out To 'Destroy Democracy'

Colombo THE ISLAND in English 21 May 86 p 2

[Article by Suresh Mohamed and Hana Ibrahim]

[Text]

Prime Minister R. Premadasa winding up the debate on the extension of the emergency said that it was now very clear that the intention of the terrorists was to destroy democracy.

The only person who claims that she can solve the present problem in twenty-four hours is Mrs. Bandaranaike. We must certainly look into this. She wants a General Election to be held. When asked why a General Election is necessary to solve the problem, her reply is that it will enable the Tamils to elect their representatives. She claims that when India is told that a General Election will be held the terrorists will be asked to lay down arms.

Nowhere have the terrorists said they are fighting for a General Election in Sri Lanka. Mrs. Bandaranaike wants the Sixth Amendment, which she calls an obstacle, removed. The removal, she claims will result in the terrorists

agreeing for a general election which would enable the Tamils to elect their own representatives.

When the sixth Amendment was introduced the SLFP said that the amendment was something long overdue. Now Mrs. Bandaranaike wants it removed. Are the terrorists fighting for the removal of the Sixth Amendment. The SLFP leader has told Sri Lankans in Australia that the Sixth Amendment should be removed. They have sent me the tape containing this the Prime Minister said.

When Mrs. Indira Gandhi was Prime Minister of India, I called upon India to invade us if she had any grouse against us. I said that we should not be pinched here and there. I was scolded by all for making that statement. We have found out where the terrorist camps in South India are located and how they receive various incentives. Trained officers of the Central Government are working in

those camps. We have got a comprehensive report on that. I read the report thoroughly before I made that statement. Some in the SLFP and outside called me a boaster. Had we united at that time and appealed to Mrs. Gandhi, the situation would have definitely changed. Now the Opposition leader is criticising India.

The former Indian High Commissioner to Sri Lanka had once declared that it was possible for India to invade Sri Lanka before a cigarette burns out.

A British journalist, Mrs. Willis who was held captive by terrorists for a month had in an article in her native Cornwell newspaper said that it was apparent that the majority of the Tamil people do not want the terrorists. When Mrs. Gandhi denied the existence of terrorist camps on Indian soil, the Sri Lankan leader of the Opposition asked why Sri Lanka was not believing her. the Opposition leader said at one time

that Mrs. Gandhi despite all pressure from Tamil Nadu would not interfere with Sri Lanka. Now the Opposition leader is criticising India. On May 8, he slated India for continuing to stubbornly turn a blind eye to the existence of terrorist camps in Tamil Nadu. How many years did it take for the Opposition leader to realise what I said. What is the realistic situation today?

The Prime Minister charged that the SLFP was playing with human lives. "When the Kantalai tank bund breached

I did everything possible to ensure that the victims got immediate assistance. However, the Opposition leader said that it was wrong of me to have gone abroad. I don't care to which country the Opposition leader goes — be it London or Germany.

In one way it is good when he is away so that Lakhsman Jayakody can act as Opposition leader. Mr. Jayakody is a clever critic and values good music. There is a nice song titled 'Winny winny pooh' which I am sure he would like. I heard it in London. I will send it to him no sooner I get it.

The Prime Minister further said that a Presidential Commission has been appointed to probe the Kantalai breach. The Commission is to be headed by a Supreme Court judge. The official announcement would be made shortly.

The British team of experts have also submitted their report.

Mr. Anil Moonasinghe: Parts of the report appeared in the newspapers.

Prime Minister: Yes, that is right.

Continuing Mr. Premadasa said that the Government criticised Mrs. Bandaranaike, only because she is a politician.

Referring to how Mr. Anura Bandaranaike had reacted to Mrs. Bandaranaike being called an 'Ammandee' he read an extract from an affidavit where Anura had called her a 'dictator', and questioned what was wrong with the word 'Ammandee'.

Referring to how Mr. Anura Bandaranaike had been appointed leader of the Opposition, he said that it was the duty of the Speaker to appoint an Opposition leader.

He said that the MP for Kalawana would have been the best

Leader of the Opposition, but claimed that Anura Bandaranaike was the best Leader of the Opposition for the United National Party.

He said he was a person who had helped even his enemies and added that he had not achieved his political stature by harming others.

He said he had come to this position through sheer dedication and not by having a mother, father or uncle in politics.

Referring allegations made by Anura Bandaranaike that the Prime Minister was against the President pardoning Mrs. Bandaranaike, he said that he had appealed for the restoration of Mrs. Bandaranaike's civic rights even in Parliament.

The decision to restore her civic rights the Prime Minister said was the prerogative of the President.

He asked whether he would lose anything if her civic rights were restored, and asked who would lose his position if she came back to Parliament.

Mr. Premadasa charged that Mr. Upali Wijewardene started the 'Divaina' and 'Island' newspapers to destroy Premadasa.

He further said that loans obtained by Mr. Wijewardene to start commercial concerns have still not been repaid.

For the 'Island' and the 'Divaina' whatever we do is wrong. 'They attack us', the Prime Minister said.

Terrorists Resist Troop Movement

Colombo SUN in English 20 May 86 pp 1-2

[Text]

Government troops now on the fourth day of their offensive in the Jaffna peninsula encountered stiff resistance from terrorists as they continued their dual purpose operation to facilitate a troop turn around and secure freedom of movement around camps in the battle areas.

One of the soldiers injured in the incidents died yesterday bringing the death toll in this operation so far to two. Seven others who sustained injuries were flown to Colombo yesterday. Six of them were hit outside the Fort when the soldiers were clearing a route to police headquarters in Jaffna, while the seventh was injured in an encounter at Vasavilan.

Terrorists attacked the Vasavilan school near the Palaly Northern Command headquarters where troops had taken temporary shelter, infiltrated the airfield to attack installations on the ground, fired at a helicopter at Velvetitural Camp and pounded Jaffna, Thondamannar and Point Pedro Camps with mortar shells.

The Joint Operations Command in Colombo said the attacks were repulsed and the troops have inflicted heavy casualties.

Terrorists attacked the security forces camp at the Jaffna Fort yesterday forcing the security forces to resort to aerial attacks to repulse them.

Helicopters and fixed wing aircraft bombed certain terrorist positions in a bid to drive them away.

The security forces were moving in a pincer movement to their designated targets. One large column backed by troop carriers set out for Jaffna from the Elephant Pass base. They were reported to be engaged in a pitched gun battle with terrorists at Palali yesterday. The terrorists had dug in bunkers and laid landmines along the road to prevent the troops from advancing.

Before this column reached Palali, they had to fight their way through similar obstructions at Iyyakatchchi and at Soranpattu where they spent Sunday night.

Another column which left the Northern Command headquarters on Sunday moved into the Vasavilan Central College — an observation point from which terrorists had monitored activities at the Palaly airport and the surrounding base. Troops spent the night there and came under heavy fire from the terrorists.

Yesterday, they spread out to the neighbouring areas and were encountering terrorist resistance. There were unconfirmed reports that the terrorists had fired anti-tank shells but a JOC official said there was no confirmation.

Besides the Vasavilan Central College troops also moved into two leading schools in Kayts and Myliddy yesterday. They will temporarily operate from these points.

The JOC statement said terrorists have so far blown up one important causeway at Thallady, a bridge at Pallai on the Jaffna-Kandy Road and caused extensive damage to two roads. The JOC also said captured terrorists and terrorist transmissions had revealed that the LTTE was having a spate of resignations and desertions from its ranks and was trying hard to keep the group together. The Jaffna public was dissatisfied with the LTTE over its clashes with other groups, the statement added.

At least 15 terrorists are reported to have been killed in the offensive yesterday bringing the death toll so far to 50. The number arrested is said to be around 150. They are expected to be moved to a camp shortly.

The stationing of a fleet of armoured troop carriers on the Pannal causeway led to speculation yesterday that terrorists had pinned them down. To the contrary, the convoy had been positioned facing the Mandativu end to prevent terrorists from fleeing to the Jaffna side. At Mandativu and neighbouring areas, troops had already been moving towards the Jaffna Fort. The parked fleet had given the impression to onlookers that it had been cut off by terrorists.

Since the limited offensive was launched by the security forces on May 16, civilian movements to Jaffna had been severely curtailed. All bus services came to a standstill. Nearly 1,400 people who were travelling from Jaffna and

other areas towards Colombo have been stranded in a school at Kilinochchi.

The Jaffna Government Agent M. Panchalingam, said yesterday that he was making arrangements to move them out of the peninsula.

The town of Jaffna resembled a ghost city yesterday. All private and public transport came to a standstill. Schools and government departments remained closed and the streets were completely deserted.

In marked contrast piles of sand bags lay at various intersections of the town. Armed terrorists had taken up position in large numbers according to eye witness accounts from Jaffna. One resident told SUN on the telephone that the terrorists were asking the people to remain indoors and not to venture out.

Reconnaissance aircraft and helicopters were flying over the town in a bid to spot points at which the terrorists were having their build ups. Some helicopters also dropped Tamil leaflets explaining to Jaffna residents that the security forces were not launching an offensive against them but against the terrorists who were setting up obstructions.

Citizens Asked To Help

Colombo DAILY NEWS in English 26 May 86 pp 1, 12

[Article by Norton Weerasinghe]

[Text]

President J. R. Jayewardene said yesterday that only the Government could wipe out terrorism from this country and urged the Opposition and all citizens to extend their fullest support to the government to achieve this end.

Addressing a massive gathering at Attanagalla where he opened the Ranpokunugama housing complex the President referred to the midnight massacre of 20 villagers at Mahadiulwewa by terrorists and said that although one could be happy about the government's development efforts, he grieved at the destruction by terrorists of innocent lives.

Those innocent victims are our brothers and sisters. We are trying our best to stop this bloodshed. We are training the army, providing arms, but it is difficult to stop it. We request the Opposition and everyone to support the government to do so, he said.

"As long as there is a President and Cabinet elected by the people, it is the duty of all to support it to eradicate this epidemic. It is only the government which can solve this problem either by negotiations, arms or non-violence", the President said.

Referring to housing he said the housing project of the Prime Minister was only one aspect of the government's development efforts.

Another was the accelerated Mahaweli project which was geared not only to store water for cultivation and settle people but also to provide the country's electricity needs.

When the UNP assumed office in 1977, representatives of the World Bank, International Monetary Fund and Asian Development Bank called on him and discussed the country's future economic and financial policies. They were in complete agreement with him on the introduction of the policies this government initiated and have followed since, he said.

It was not a question of one group following the other but a consensus reached by realising what had happened to the country by the policies of the previous government.

The SLFP had said that if it came to power it would end queues. The question was to find out the reason for queues which were found in plenty during their regime. Shortages and rationing were the main cause.

The UNP has succeeded in eliminating these shortages and queues. Its economic policies had created a revolution.

These policies have been accepted by the majority in the country and by the major Opposition party, the SLFP, which governed for seven years. The beneficial results of the UNP's policies could be seen in goods, shops and buildings throughout the land.

There may be shortcomings in these policies. It was the duty of the Opposition through Parliament and other democratic methods like publications, point out these shortcomings and the government would take steps to rectify them, he said.

He went on to say that the biggest problem facing the country today was terrorism in the North and East. The Government was making all efforts to eliminate the menace. It was useless blaming each other when the main task was to eliminate terrorism and terrorists. "If we succeed it would mean the re-establishment of democracy in the North and East and the future well being of the people living in those areas, now being murdered and oppressed by gangsters and criminals," he said.

The President also recalled his visits to Attanagalle on previous occasions and said when he came there when Mrs. Bandaranaike was Prime Minister, he and his party men were greeted with stones during the Attanagalle satyakriya.

He recalled how trees were felled across the road, and cars of certain UNPers damaged. Some of them went back to Colombo with injuries.

When he was walking up to the Rajamaha Viharaya to offer flowers, the President said, some persons accosted him with clubs. One of them asked him, 'why are you doing this, very soon you will become Prime Minister.'

He said he explained to them that they were on a non-violent mission and asked them to join him. Their clubs fell from their hands and they joined him to go to the temple, he said.

The President said that when he raised this matter in Parliament, Mrs. Bandaranaike said 'that is the Attanagalla doctrine. No outsiders should come to Attanagalla without the permission of the voters of Attanagalla'. He said he told her that that was a wonderful doctrine, not known anywhere else in the world.

He said he would never allow an Opposition Leader or member to be treated in that manner. Any citizen in this country should be free to go to any part of the country. Unfortunately one could not go to the North and East but the government was taking steps to wipe out terrorism and make these areas safe once again, he said.

He paid a tribute to Mr. Lakshman Jayakody and wished him many years as a MP under a democratic set up. "He is a good friend of mine. His father supported me when I first contested Kelaniya in 1943," the President said.

Prime Minister R. Premadasa, Mr. Ariyaratne Jayatileka, District Minister for Gampaha, Mr. E. P. Paul Perera, MP for Kaduwela, Mrs. Kulaseeli Perera, UNP Organiser for Attanagalla, Mr. W. D. Ailapperuma, Chairman, National Housing Authority and Brigadier K. V. J. Rodrigo, G. A. Gampaha also spoke.

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